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Latin America

FBIS-LAT-96-080
Wednesday
24 April 1996

Daily Report
Latin America

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Inter-American Affairs: OAS Meeting To Support Wasmosy

PY2304151196 Buenos Aires TELAM in Spanish 1505 GMT 23 Apr 96

[FBIS Translated Text] Washington, 23 Apr (TELAM-SNI) — The OAS Permanent Council called today for a special meeting to support Paraguayan democracy, which has been threatened by the rebellion of Army Commander General Lino Oviedo.

OAS Secretary General Cesar Gaviria left urgently from La Paz, Bolivia, to Asuncion, Paraguay, to support Paraguayan President Juan Carlos Wasmosy.

Inter-American Affairs: Mercosur To Hold Asuncion Meeting

PY2304165996 Rio de Janeiro Rede Globo Television in Portuguese 1632 GMT 23 Apr 96

[Commentary by Miriam Leitao]

[FBIS Translated Excerpt] [passage omitted] Before ending my commentary, I want to refer to another subject. I have just talked with Itamaraty [Brazilian Foreign Ministry headquarters] and Planalto Palace. Acting Foreign Minister Sebastiao do Rego Barros will leave for Asuncion at 1430 [1730 GMT] where he will meet with the Argentine and Uruguayan foreign ministers. At a meeting at Planalto Palace, the Brazilian Government concluded that without democracy in Paraguay there will be no Mercosur [Common Market of the South].

Inter-American Affairs: C.A. VPs Sign Development Plan

PA2404042996 Tegucigalpa TRIBUNA in Spanish 20 Apr 96 p 6

[Report by Santos Galvez]

[FBIS Translated Text] Copan Ruins — Representatives of the isthmian countries signed yesterday a Plan for Development of the Border Areas in the isthmian countries during the 26th Central American Vice Presidents's Meeting that was inaugurated in Copan.

The plan includes a sustainable growth project for the Costa Rica-Panama border, and the Guatemala-Honduras border around the Golf of Honduras, and other environmental issues in the Rio San Juan basin.

During the meeting, the actions taken to facilitate migration in the area and the support given by the OAS and the Inter-American Institute of Culture in Central America (IICA) were analyzed.

Moreover, the continuity of projects of the Regional Trinational Development Plan, better know as "Trifinio", that includes Honduras, Guatemala, and El Salvador, was studied.

The Trifinio plan was begun in 1988, with an estimated $878 million earmarked for investment in the border areas of the countries that encompass an area of 7,584 square km.

The position of secretary general of the forum which had been in the hands of Honduran Carlos Gustavo was turned over to Guatemala.

Salvadoran Vice President Enrique Borgo Bustamante said that emphasis is being placed on the border areas because since these areas are the farthest removed from the industrial centers and capital cities, they are the most backward, which moves governments to try to develop these areas.

Maquiladoras [assembly plants]

Borgo Bustamante indicated that much has been achieved, like infrastructure works, water, and electrification. However, the shared identity of three peoples that live together in harmony without national distinctions is the most significant achievement.

Borgo Bustamante announced that a number of ecological conservation tasks are being carried so that the border areas may benefit reasonably from nature.

Moreover, Vice President Julia Mena Rivera said that much progress has been made, nevertheless, it is important to continue to promote collective development in the border areas to establish the foundation for the integration of the area.

President Carlos Roberto Reina, who inaugurated the forum, said that the Trifinio plan is giving excellent results, as is the vice presidents's forum, because due to its initiative the Central American Parliament (Parlacen) was created.

The Will To Unite

"The meeting manifests the will to unite to face the challenges of the new millennium," Reina said. Reina added that the integration process has permitted peace in the region, and that know emphasis will be placed on equal and fair development.

Costa Rican Vice President Rodrigo Oreamuno Blanco expressed that it was imperative to improve the living standards of the inhabitants of the border areas and that there was resolve to do so.

Moreover, hostess Guadalupe Jerezano explained that "the vice presidents's forum is a recourse for consultation and counselling for the integration system, therefore, is has the support of President Reina."

Jerezano said that the vice presidents are aware of the global issues and that is why they are jointly seeking to promote sustainable development to areas that need it most, such as the border areas.

The Panamanian vice president did not attend the meeting and was represented by Panama's Ambassador to Honduras Emilio Sierra.

The vice presidents will visit Ocotopeque today to attend the inauguration of a "Plant a Tree" project, and visit a plant nursery that will be used for reforestation for energy purposes.

Later, this afternoon, the vice presidents will travel to Metapan, El Salvador, to inspect reforestation and forest-fire protection projects.

Finally, the vice presidents will go to Esquipulas, Guatemala, to visit a school to observe the teaching of environmental awareness, and to plant a tree as part of a reforestation campaign.

Inter-American Affairs: C.A. VPs View Trifinio Pilot Plan

PA2404041796 Guatemala City PRENSA LIBRE in Spanish 21 Apr 96 p 51

[FBIS Translated Text] Central American vice presidents met yesterday in the area known as El Trifinio, a zone shared by Honduras, El Salvador, and Guatemala, to examine the progress achieved during the implementation of the Trifinio Pilot Plan in the past four years, the region's correspondent has reported.

Attending the meeting were the vice presidents of Guatemala, Luis Flores Asturias, Costa Rica, Rodrigo Oreamuno Blanco, El Salvador, Enrique Borgo Bustamante, Honduras, Guadalupe Jerezano, and Nicaragua, Julia Mena Rivera.

The inspection began in Ocotopeque, Honduras, with a visit to the forest nursery and an area reforested for energy purposes. Afterward, they went to the Monte Cristo National Park, located in the biosphere of La Fraternidad, Metapan, El Salvador, to observe forest fire protection measures. They also met with local authorities and visited a repaired road and the restoration work being conducted in the colonial park.

At 1300, in Esquipulas, Chiquimula, they held a meeting with the Trinational Board of Directors of the Association for the Sustainable Development of the Trifinio Project and the region's governorship officials and mayors.

In each place they visited, they planted trees blessed by Pope John Paul II during his recent visit to Esquipulas.

Cuba

Cuba: Foreign Minister in Mexico, Criticizes U.S. Law

PA2304202296 Havana PRENSA LATINA in Spanish 2144 GMT 22 Apr 96

[FBIS Translated Text] Mexico City, 22 Apr (PL) — Cuban Foreign Minister Roberto Robaina today described the Helms-Burton law, which reinforces the U.S. blockade of his country, as an aggression on all nations of the world.

The foreign minister told reporters upon arriving at Benito Juarez International Airport that those who oppose this law support not only the island but also the rest of the world.

"The law is an attempt to make things more difficult for us and a coarse violation of the most basic guidelines of international coexistence and a brutal attack on the sovereignty of all countries," Robaina added.

He pointed to the strength of Cuban-Mexican relations and their constant development in all areas.

He acknowledged that Mexicans have never lacked dignity, courage, or strength in supporting Cuba under any circumstances.

Robaina will attend the 7th meeting of the Mexican-Cuban general intergovernmental joint commission.

This binational meeting takes place every two years, alternating between the two countries' respective capitals, to evaluate and strengthen bilateral ties, exchange information, and reach agreements on other issues of common interest.

Two agreements are expected to be signed, including one on mutual legal assistance on penal matters and one on the execution of penal sentences.

The two nations maintain political, economic, commercial, cultural, educational, scientific, and technical relations, among others.

Mexico is a major investor in Cuba. Both nations are members of the Association of Caribbean States and other regional organizations.

Minister Robaina will follow a hectic working agenda, which includes meetings with political leaders and personalities from various sectors at the quarters of the "Permanent Conference of Latin American Political Parties."

Cuba: Castro Congratulates Sancti Spiritus on Sugar Output

PA2304202096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 20 Apr 96

[Report by correspondent Rafael Daniel; from the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro has congratulated the people of Sancti Spiritus Province on being the first to reach their sugar production goals:

[Begin recording] [Daniel] Victoria Velasquez, first secretary of the Union of Young Communists [UJC], was the bearer of the congratulatory message. UJC members had asked for a photograph of the head of the Revolution inscribed with the words that Fidel uttered at the Peru sugar mill: There is nothing so satisfying as fulfilling one's duty.

The column of solidarity departed the Uruguay sugar mill, in Jatibonico Municipality, for the Brazil sugar mill, in Camaguey Province, just a few hours later. The column includes 55 combines and other equipment and over 500 men and women who will help that province reach its production goals.

[Unidentified speaker] We will do this the way it was done when we went to fulfill the internationalist missions given to us by the country's cadres. We will go all-out! We will do it even better than what we have done here, at the Uruguay sugar mill.

[Unidentified speaker] There is good morale among the workers.

[Unidentified speaker] We have reached our goals here and will reach them in Camaguey, too!

[Unidentified speaker] We are not tired! We will fight!

[Daniel] The people of Sancti Spiritus hope to send over 120 combines and approximately 2,000 men — including mechanics units, cane cutting brigades, and plowing teams — to other provinces.

Cuba: Ministry Discourages Sugar Planting 'Marathons'

PA2304185796 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 19 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] While there are signs that sugar production goals will be met during the current harvest, planting remains behind schedule: Only 31.1 of the 179.9 caballerias that should have been planted to date nationwide have actually been planted. The daily rate needed to reach this goal before 30 April is growing so large that it is in danger of not being met. For example, Matanzas has fallen short by 20 caballerias, Villa Clara by 30 caballerias, and Camaguey by 20 caballerias. These provinces and Ciego de Avila Province have the greatest responsibility in terms of areas to be planted; thus, the delay is dangerous because of the large volume involved. That is why the Sugar Industry Ministry warned about last-minute marathons, those we are accustomed to run to reach our goals in the last few days. These unorganized marathons hurt planting quality, increase the cost of resources, and cause a reduction in yield. It is good to recall that the spring planting campaign is extended into the summer, but only 12-month or older sugarcane will be harvested next harvest — this means the sugarcane planted before 30 April. If this goal is not reached, the efforts made to guarantee 800 million arrobas of sugarcane to be harvested in 1997 will have to be much greater.

Cuba: Minister Criticizes Isle of Youth on Farming Efforts

PA2304185896 Havana Radio Rebelde Network in Spanish 1155 GMT 19 Apr 96

[Report by Clara Alvarez Lopez, on the Isle of Youth; from the "Doing Radio" program]

[FBIS Translated Text] Cuba produced almost 13 million quintales more tubers and vegetables during the first three months of 1996, one of the best periods in Cuban agricultural history. Alfredo Jordan, Politburo member and agriculture minister, has told people on the Isle of Youth that every province except this one has increased production. He has confirmed that even with the increases, the results remain unsatisfactory because they did not make themselves evident on Cuban tables and because vegetables must now replace many other products the people had before the special period. Jordan said that production must increase and that it is essential to supply small stores with more produce, stressing that people must be prepared for the months ahead even though the harvest is currently at its peak.

Jordan said during his tour of the Isle of Youth that little initiative has been taken on the island's miscellaneous crops farms. However, he recognized efforts made in the potato harvest — the largest in history — and in planting rice, which he considered vital [words indistinct] dilapidated machinery. He said that although there have been advances in livestock production, cattle continues to wander loose on citrus farms. Jordan added that repairs to farming equipment were insufficient compared to repairs in other provinces, even though the Isle of Youth has the best facilities available for such work in the nation. Jordan also cited deficiencies in the island's plantain, sugar, yam, and corn production. He noted that the responsibility lies on the shoulders of the people in charge of these activities and not the government.

Jordan reported on efforts to prepare the soil and plant approximately 8,000 caballerias of rice nationwide before June 1996. He concluded that the Isle of Youth was the province furthest behind in farming efforts.

Cuba: New Virus Detected in JUVENTUD REBELDE Computers

PA2404022796 Havana PRENSA LATINA in Spanish 1603 GMT 21 Apr 96

[FBIS Translated Text] Havana, 21 Apr (PL) — Ricardo Portela, a specialist at Cuba's Computer Security Center [Centro de Seguridad Informatica — Segurmatica], has reported that a new computer virus called Unashamed [preceding word published in English] was just detected for the first time in computers of the Sunday weekly JUVENTUD REBELDE.

The Unashamed virus, the expert explained, attacks the computer booting system and invalidates the reading of contaminated diskettes.

The Unashamed code is currently being analyzed to determine if it is set to work on a specific date, and to include it in a new version of the CD's antivirus program, which cannot detect it now.

Meanwhile, the CVP watch program detects the absence of 1,024 bytes of memory when it runs.

The Latin American Laboratory for the Detection of Viruses is in Cuba. Muyt [expansion unknown] Director Jose Bidot told PRENSA LATINA that local programmers have created at least 1 percent of these computer viruses.

There are 8,000 known computer viruses in the world, only 200 of which were created in Latin America. This is why experts affirmed that highly industrialized countries develop the technology and the computer viruses as well.

A virus is a portion of a computer program which replicates itself infesting the computer when the program is executed, and erases or alters the data stored in the hard disks.

The most common are "Michelangelo," which was created in Europe, "Yankee Doodle," which was created in the United States, and "Jerusalem," which was created in Israel.

Unashamed is being investigated by the experts of Segurmatica, which is a Cuban enterprise created to develop computer, technical, and legal security systems.

Cuba: Roundup of Economic Developments Through 23 Apr

PA2404041196

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 23 April.

Agriculture Ministry official Gonzalo Rodriguez has said 81 percent of the tobacco in Pinar del Rio Province has been harvested so far, adding that the province is likely to reach its production goal of 505,000 quintals. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 Apr 96)

The unemployment rate in Granma Province stands at 10.4 percent, the second highest in Cuba. Agriculture is the main source of jobs in the province, but the lack of adequate infrastructure is keeping it from hiring the number of needed workers. Regional self-employed individuals already total 12,000, but applications for new permits have been steadily declining since December. Many self-employed have been unable to make a living because of weak sales and expensive raw materials. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 Apr 96)

The Transportation Ministry's Caribena shipping enterprise and the Rumbo tourism chain and travel agency have signed an economic cooperation agreement with a view to promoting the Isle of Youth as a tourist spot and improving the shipping vessels used to ferry visitors to that island. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 20 Apr 96)

Four nickel enterprises in Holguin Province have either achieved or exceeded their production goals for the first quarter of 1996. (Havana Radio Rebelde Network in Spanish 1155 GMT 20 Apr 96)

Oil workers from Ciego de Avila Province have achieved 102.8 percent of their production plan. Plans call for production to reach a record 200,000 metric tons during 1996. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 20 Apr 96)

According to a 20 April, Sancti Spiritus-datelined report, Minister of Agriculture Alfredo Jordan has announced that potato production has reached a record 318,182 metric tons. Approximately 15,070 hectares, with an average yield of 30 metric tons per hectare, have been harvested, but 1,610 hectares are yet to be harvested. A total production level of 330,000 metric tons is, therefore, expected. Jordan has said $30 million were invested in pesticides, fertilizers, and fuel this year. (Havana PRENSA LATINA in Spanish 2230 GMT 21 Apr 96)

According to a 21 April, Sancti Spiritus-datelined report, Minister Jordan has announced that tobacco production has totaled 23,636 metric tons this year, exceeding the production plan, a 52 percent improvement over 1994 production. Jordan hopes that 36,363 metric tons can be harvested and said an additional $5 million is expected from exports. This year's harvest was helped by $25 million in foreign investment. (Havana PRENSA LATINA in Spanish 2042 GMT 21 Apr 96)

Haiti

Haiti: Former Coup Plotters Find Asylum in Honduras

PA2404011196 Port-au-Prince Signal FM Radio in Creole 1130 GMT 23 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] Two former officers of the Haitian Army, Franck Romain and Joseph Michel Francois, who were arrested in the Dominican Republic on 12 April, arrived in Honduras on 22 April; they came from the Dominican Republic, according to the Honduran foreign minister.

These former Haitian military chiefs were accused of plotting a coup d'etat and destabilization movements against the regime. They have been given the status of political refugees on the condition that they not leave Honduran territory.

They arrived at the Ramon Vieda Morales Airport, in the city of San Pedro Sula, the afternoon of 23 April. Michel Francois and Franck Romain are obligated to obey Honduran laws and to submit themselves to the authorities of this country, where they may not participate in politics. In turn, they will not be extradited to Haiti or any other country.

Haiti: Expulsion of Dominican Ex-Army Officers Viewed

PA2404011496 Port-au-Prince Signal FM Radio in Creole 1130 GMT 23 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The expulsion of Michel Francois and Franck Romain from the Dominican Republic to Honduras has nothing to do with security in Haiti. According to a reliable source, the two former Haitian Army officers are allegedly financing the electoral campaign of the Dominican Revolutionary Party candidate, Pena Gomes.

The Dominican president reportedly has wanted to quickly get rid of those elements he deems dangerous to public safety in the Dominican Republic, according to the same source who has said the expulsion of Franck Romain and Michel Francois from the Dominican Republic to Honduras has nothing to do with security in Haiti.

Haiti: Tripartite Meeting on Security Situation Held

PA2404011596 Port-au-Prince Signal FM Radio in Creole 1130 GMT 23 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] The Haitian Government has increased the efforts it is taking to establish more safety in Haiti. A tripartite meeting between the Haitian Government, the friendly countries, and the UN Mission in Haiti [UNMIH] was held on 22 April to discuss ways to maintain a safer environment in Haiti. Reporters and photographers were not allowed in this meeting.

The speakers made a general review of the current security situation in Haiti. They also studied possible international assistance for Haiti in this regard. The meeting was quite fruitful, according to several people who participated in it. [passage omitted]

They discussed the reinforcement of national security in Haiti. The UNMIH officials offered to help national policemen maintain a safe environment in the country. [passage omitted]

Haiti: President Visits General Management of Taxes

PA2404011796 Port-au-Prince Signal FM Radio in Creole 1130 GMT 23 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] The Haitian head of state, Rene Preval, made an unexpected visit to the General Management of Taxes [DGI] on 22 April. The Haitian president went to the DGI to gather information about the operations of this office. Discussions focused on how the DGI will set tax rates the people will pay and the new measures it is planning to adopt to revamp its image.

President Rene Preval, who talked with the DGI general director for a long time, did not comment to the press after the talks.

DGI General Director Jocelerme Privert invited all taxpayers to honor their debts to this organization. He said DGI fiscal receipts for the month of April will amount to 121 million gourdes, and he also announced reforms he will make within this organization with a view to providing better service. He announced that vehicle stickers will be delivered after Parliament's vote on the law on fiscal receipts. [passage omitted]

These were statements by DGI General Director Jocelerme Privert who announced that measures will be taken in the next few days to increase the government's revenues. The DGI announced to all professional practitioners that it will start an important campaign with the objective of reclassifying socio-professional professions. In this regard, doctors, including generalists, specialists, and dentists in the metropolitan area of Port-au-Prince, Petion-Ville, Delmas, Carrefour, Croix-des-Missions, Croix-des-Bouquets, and Kenskoff, are invited to go to the DGI and to fill out.... [pauses] to pay and conform to [words indistinct] the final income tax statement.

Mexico: Secretariat Rejects DEA Official's Statements

PA2404044096 Mexico City XEW Television Network in Spanish 0300 GMT 24 Apr 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Finance and Public Credit Secretariat has issued a bulletin, an excerpt of which states:

As for the statements attributed to Thomas Constantine, administrator of the DEA, that Mexican banks are laundering huge sums of drug money, to this date, no Mexican bank has been found to be directly or indirectly involved in these investigations. We have not received any accusation of any type in this regard.

Delegates from 84 countries opened in Mexico City an international conference on the fight against drugs. They are studying new mechanisms to fight and prevent drug trafficking.

In addition, Thomas Constantine said that Mexico should have drug traffickers Amado Carrillo, Benjamin Arellano Felix, and Miguel Caro Quintero.

Mexico: Army Denies Consulting U.S. on Chiapas Drug Fight

PA2304205196 Madrid EFE in Spanish 1626 GMT 22 Apr 96

[FBIS Translated Text] Tuxtla Gutierrez, 22 Apr (EFE) — The Mexican Army today denied that it has consulted the U.S. military on the fight against drug trafficking in Chiapas State, as Zapatist leader Subcommander "Marcos" has charged. The Mexican Army need not consult the United States or "anyone" on this matter, Mario Renan Castillo, commander of the 7th military region in this southeastern state, said last night. "We do not need any other country telling us how to carry out a mission that we have been carrying out for almost a century...We are an army of the Mexican people," he added. Renan Castillo was denying charges that Subcommander "Marcos," leader of the Zapatist National Liberation Army (EZLN), made on 19 April. The Army commander denied that there is any relationship between the Zapatists and dru?Htraffickers who operate in Chiapas and own the drug fields in the conflict zone, close to Lacandona jungle. "I know the plantations are there, but I do not know who owns them and who planted these crops. We are not going to investigate because that is not our job," he added. The military chief said that in the wake of the armed Zapatist uprising in January 1994, when the presence of military troops also increased in the zone, the number of flights dropping drug bundles into the jungle dropped. He noted that 29 marijuana fields have been detected in the towns of San Andres Larrainzar and Las Margaritas, areas where the Zapatist guerrillas have great influence, in past years.

Mexico: Senate Approval of Initiatives Said 'Significant'

PA2404022996 Mexico City Radio Red Network in Spanish 2300 GMT 22 Apr 96

[Report by Gloria Hernandez at the Senate; from the "Night Monitor" newscast]

[FBIS Translated Text] [Hernandez] A package of initiatives, including the Civil Procedures Code, some reforms to the basic law of Nafin [National Finance Bank], the Commerce Code, the law on securities and credit operations, and the Common Law Civil Code for the Federal District, were approved moments ago here at the Senate of the Republic.

A demonstration started by hundreds of El Barzon Movement members at 1030 continues although their demands were attended to. Juan Jose Quirino Salas, national leader of this movement, said today's development constitutes an achievement. Quirino noted he will consult with all members gathered here on what should be done next, specifically, whether they should leave.

[Begin Quirino recording] This is very significant because among the main agreements is one that calls for the establishment of a commission made up of six senators, two for each bloc, to follow up on problem of the overdue portfolios and that will meet with the secretaries of finance, commerce, transportation and communications, and so on. In other words, to get to the core and achieve a feasible, equitable, and fair program as specified in the text of the agreement to ensure that the overdue portfolio problem is finally settled. [end recording]

[Hernandez] Those were Jose Quirino's statements after the Senate of the Republic issued unanimous statements urging the bankers to call a judicial truce until the economic conditions improve. Specifically, they were four changes. First, the law will definitely not have a retroactive effect; second, summary trials mentioned in this draft will disappear and regular trials will be respected; third, embargo notifications will continue to be formal, in other words, someone will hand carry them to the houses instead of sending them via fax or advising via the telephone; and fourth, and this was controversial, as for the creation of a trusteeship between a bank and a debtor, banks will not be judge and jury, that is, the one empowered to seize. A second bank would be called in as soon as a businessman declares he is unable to pay to try to settle the issue of stock that this businessman could sell or the deposits that he could make in order to become worthy of credit.

[Anchorman Martin Espinoza] The vote you referred to was for the whole or for all its parts?

[Hernandez] The whole and its parts were approved. Senators were asked to vote for the whole and the parts. The senators approved the whole and only two of them vote against it, namely Senators Irma Serrano and Felix Salgado Macedonio of the Party of the Democratic Revolution. As for the parts, all these points were the center of controversy today, actually since last week, among El Barzon Movement members. The National Action Party voted against certain parts, namely, the Civil Code and the law on credit operations.

[Espinoza] Are the Barzonists aware of this approval yet? What have they decided to do?

[Hernandez] We do not know. I insist, the voting just concluded. I played the comments of movement leader Juan Jose Quirino Salas. He said he will talk to movement members out here and that they would let me know what they will do while taking into account that they will start on 23 April to work with this commission of senators that promised to address their problem. Quirino also told us they will hold their first meeting with Finance Secretary Guillermo Ortiz in no more than 10 days.

Mexico: Government Said To Refuse To Subsidize Farmers

PA2404043496 Mexico City EL FINANCIERO in Spanish 19 Apr 96 p 1

[Received via Internet]

[FBIS Translated Text] To remove any obstacles regarding the sale of petrochemical companies, which would provide Mexico an income of $2.5 to $3 billion, the government is refusing to subsidize the sale of fertilizers to farmers and is severely endangering the production of basic grains during 1996 spring/summer cycle, and the food supply of the nation which is already experiencing a shortage.

"What is happening is that the government is being penny-wise and pound foolish." At this moment, considering that Mexico will have to import approximately 12 million tons of grain this year, and that a disbursement of at least $2.4 million is foreseen, an emergency program for grain production could reduce that cost to only $400 million.

Jose Bonilla, president of the National Confederation of Rural Property Owners (CNPR), and CNPR National Coordinator Abel Castellanos, made the previous comments and held the Finance and Public Credit Secretariat responsible for ignoring the warnings of the farmers.

"Without any justification, finance secretariat officials have placed macroeconomic needs before the need to provide food," Castellanos said.

Castellanos added that the program should include basically a subsidy for fertilizer (approximately 300 million pesos to maintain the price of elements necessary for production at the same level as last year), in addition to subsidies for purchasing seeds. Also, the government should free the funds provided by the Rural Alliance for technical assistance and machinery, which have been delayed.

This would prevent allowing land to lie fallow, and encourage productivity in lands that have not been affected by the drought.

Castellanos said that if production were subsidized, a harvest of 12 million tons of maize, the most important grain, could be obtained during the spring/summer cycle. This amount is 3 million tons less than needed to begin to reverse the effects of the drought in the last two years.

Thirty Percent of the Cattle Lost

Bonilla pointed out that the drought problem in northern Mexico has punished especially the cattle industry. This year, 30 percent of the cattle in Coahuila, Tamaulipas, Sonora, Durango, and Chihuahua have been lost. This includes animals that have died and animals that have been sold thin ahead of time to prevent them from dying of hunger because there is no fodder and the feed has become more expensive.

Bonilla reported that bean production will decline 55 percent because of the drought, and Castellano added that during the 1995- 1996 fall/winter cycle (the first of the two cycles of the 1996 agricultural year), the drought caused two million tons of beans not to be planted, or 50 percent of the recent historical average.

In conclusion, Bonilla complained of a "new attack by social organizations" that wish to renew the partitioning and distribution of land to peasants, based on bringing relief to the agriculture sector which has lagged behind, comprised of approximately 6,000 legal claims.

Bonilla pointed out that the government should stop these claims, because this is not time to dismantle properties, but to produce with greater yields.

Mexico: Secofi Invites Business To Draft Trade Reform

PA2404044296 Mexico City EL FINANCIERO in Spanish 19 Apr 96 p 27

[Received via Internet]

[FBIS Translated Text] The Commerce and Industrial Development Secretariat (Secofi) has summoned the country's various private, industrial, and trade organizations to participate in the drafting of a project to reform the law on foreign trade.

Raul Ramos Tercero, under secretary of industry and foreign trade regulations and services, met yesterday with Everardo Sousa, Jorge Mazon Rubio, and Gilberto Vazquez from the Confederation of Industrial Associations (Concamin), the National Agricultural Council (CNA) and the Mexican Businessmen's Council for International Affairs (CEMAI), respectively. Ramos Tercero also met with industrial and trade sector representatives such as Mexico City's National Chamber of Commerce (Canaco), the Coordinator for Foreign Trade Business Organizations (Coece), National Council of Foreign Commerce (Conacex), and the Confederation of National Chambers of Commerce (Concanaco). The National Association of Manufacturers (Canacintra) and Employers Confederation of the Mexican Republic (Coparmex) were also invited to participate in the meeting.

The purpose of the meeting was to present and establish the working agenda for the private sector group that will present to the federal government afterward a proposal to reform the law on foreign trade

Ramos Tercero extended an invitation to this team as well as to those interested in working with the authorities in drafting a reform bill.

Guatemala

Guatemala: Government Expresses Solidarity With Wasmosy

PA2304232096 Guatemala City Televisiete Television in Spanish 1900 GMT 23 Apr 96

[From the "Channel Seven News" newscast]

[FBIS Translated Text] Guatemalan Foreign Minister Eduardo Stein has said the Guatemalan Government has expressed its solidarity with the Paraguayan president who was about to be overthrown in a coup attempt yesterday:

[Begin Stein recording] We are concerned, because an initiative of this type that could break the institutional order in a friendly and fraternal country is taking place at this stage of the game; that is, near the end of the century. According to what I could find out via the radio and television media, all Latin American countries were greatly concerned. If the information we have is correct, we believe the political aspirations of any citizen under any prospect in these countries can be perfectly channeled through the proper legal means.

I understand that this high-ranking military officer had preferred to promote his political designs without abandoning his military responsibilities. The incident, which we all believe is really unfortunate, occurred when the president asked him to observe the law.

[Unidentified reporter] Did the Guatemalan Government demonstrate its solidarity with its Paraguayan counterpart?

[Stein] I understand that the president has done so privately. [end recording]

Guatemala: Minister Says Situation in Paraguay 'Harmful'

PA2304214296 Panama City ACAN in Spanish 1905 GMT 23 Apr 96

[FBIS Translated Text] Guatemala City, 23 Apr (ACAN-EFE) — Guatemalan Foreign Minister Eduardo Stein today said the situation in Paraguay due to the rebellious attitude of General Lino Cesar Oviedo is "harmful" to all Latin America. Stein said President Alvaro Arzu has expressed his solidarity with his colleague, Juan Carlos Wasmosy.

Ovideo declared his rebellion yesterday after Wasmosy decided to replace him as head of the Armed Forces.

Stein said Guatemala is waiting for further developments in Paraguay to determine what joint action it will take with Latin America.

Guatemala would never act alone, Stein replied when asked about an eventual break in relations with Paraguay.

"What has just happened in Paraguay is harmful to all Latin America," Stein said after disclosing that he had informally consulted the countries of Central America to know of their position on the situation in Paraguay.

Stein said Guatemala will wait for events to develop before adopting a specific position to see whether they are discussed at the OAS or if the Rio Group prefers more direct and swifter action.

Guatemala: Official on U.S. Stopping Illegal Immigration

PA2404041596 Guatemala City LA REPUBLICA in Spanish 22 Apr 96 p 7

[FBIS Translated Text] Tegucigalpa — Guatemalan Emigration Director Ricardo Arenas Menes has said in this city that the United States should stimulate investments and development in Central America; otherwise, it will be "impossible" to stop people from leaving the Central American isthmus illegally.

Arenas, who participated in the 26th Central American Vice Presidents Conference that closed this weekend, has expressed alarm over the number of illegals arriving at the Guatemala-Mexico border to travel to the United States. "No Central American wants to cast off his culture, food, or family. They cross the border only because they want to improve their relatives' economic situation," said the official, who is well known for battling illegals in his country.

He has said if U.S. authorities want to stop the flow of illegals emigrating from Central America, they should encourage investment in the region, because "when people live well in their own countries they do not see any need to try to improve their living conditions by emigrating to the United States. It is the United States that has trouble with illegals, so let the United States develop these countries; otherwise, it will be impossible to stop the flow of illegals."

A large number of Chinese and Hindus cross over Guatemalan territory, which has three checkpoints at the border with Mexico. Most of them cross, however, through Honduran territory en route to Guatemala.

Arenas has said no one can be detained or incarcerated for smuggling illegals in his country because Guatemalan law has no guidelines for this type of crime.

Guatemala: 'Internal Armed Conflict Has Ended' for Army

PA2404023096 Guatemala City Televisiete Television in Spanish 1900 GMT 22 Apr 96

[From the "Channel Seven News" newscast]

[FBIS Translated Text] For the Guatemalan Army, the war lasting over 35 years has ended; thus, they have chosen to fulfill other constitutional functions. Even though the government and the Guatemalan National Revolutionary Unity, URNG, have not concluded the negotiation of a peace accord, for the Army the war is over and there will be no more shooting.

According to Guatemalan Defense Minister General Julio Balconi, following the suspension of antiguerrilla operations President Alvaro Arzu ordered last 20 March, the Armed Forces consider that the internal armed conflict has ended.

The statements by Balconi, made at a forum on security for businessmen, agree with those made recently by other high-ranking military officers, including General Sergio Camargo, chief of General Staff of National Defense.

The presidential order came in response to the URNG move to suspend its offensive military operations [words indistinct] humanitarian organizations have termed as the main source of human rights violations. The intention of the guerrillas and government is to create greater confidence, paving the way for them to appear at the bargaining table in an atmosphere of detente and respect.

The Arzu administration, which has been in office since last January, continued the peace talks that began in April 1991 during the administration of ousted coupist President Jorge Serrano. Arzu has expressed his determination to conclude the peace process this year.

According to Generals Balconi and Camargo, the Army is now limited to fulfilling the functions assigned to it by the Constitution. Within the so-called Security Agenda, other factors such as common violence, drug trafficking, kidnapping, environmental depredation, and car theft are now a priority for the Armed Forces, the military leadership remarked. They stated they are willing to support the civilian police. Nevertheless, Balconi recognized that there are still some security problems resulting from 35 years of internal armed confrontation.

Guatemala: Talks Held With Cuba on Technical Cooperation

PA2404041996 Guatemala City SIGLO VEINTIUNO in Spanish 21 Apr 96 p 3

[Report by Carlos Canteo]

[FBIS Translated Text] A meeting of Cuban and Guatemalan Government delegations kept secret by local authorities concluded this weekend. During the meeting, the participants discussed aspects of technical cooperation in seven specific areas.

The Cuban delegation arrived in the country on 18 April with the main objective of beginning a rapprochement with Guatemala through technical cooperation.

The Cubans met all day 19 April with a Guatemalan technical group headed by a top government official in a building in Guatemala City's Zone One.

The technical groups of the two countries held discussions on the fields of biotechnology, health, education, culture, sports, and animal health, among others. The Cuban mission was conducting its first exploratory meeting in our country, but it was reported that the main obstacle assessed during the work sessions was the lack of money. After these meetings, Cuba will report what projects with which it can cooperate.

Although the Guatemalan Government has not publicly announced the meeting with the Cuban delegation, government sources who have declined to be identified have confirmed that the meeting took place and have said they do not know whether Guatemalan experts will reciprocate the visit.

It seems no agreement was signed, and no specific action was agreed on at the end of the 20 April session, because Cuba will analyze what are the priorities Guatemala requires in terms of cooperation.

Honduras

Honduras: Haitian Ex-Mayor Arrives, Protests Innocence

PA2304214496 Panama City ACAN in Spanish 2051 GMT 22 Apr 96

[FBIS Translated Text] Tegucigalpa, 22 Apr (ACAN) — "I am no putschist," former Port-au-Prince Mayor Frank Romain said shortly after arriving in Honduras on 22 April with former Chief of Police Joseph Michel Francois. The two political exiles were deported from the Dominican Republic. "I want to return to my country to serve the people," Romain told San Pedro Sula reporters after he and Francois arrived in San Pedro Sula aboard a charter flight.

The Dominican Government deported Romain and Francois following their arrest on 12 April on charges of planning to overthrow Haitian President Rene Preval. The two officers participated in the 1991 coup d'etat that toppled President Jean-Bertrand Aristide and were aides of the de facto government of Raoul Cedras, who is now living in exile in Panama. Honduras granted asylum to the Haitians as a "humanitarian" act, accusations against them notwithstanding.

"I am no putschist. I never was one. I never was one," Romain insisted, attributing his current situation to "the circumstances there (Haiti)." He noted that this accusation "serves those in power; it allows them a rest from their popular adversaries."

Romain, speaking to reporters at the Bolivar Hotel, where he and Francois will stay temporarily, also denied having been arrested by Dominican authorities. "They did not arrest me," he affirmed; instead, a Dominican general "stopped by my house" to take me to the Armed Forces Ministry building in Santo Domingo.

After stressing that "my goal is to live in my country," Romain noted that he has not done anything wrong in Haiti. He also told Honduran reporters "you do not know the situation in my country" and asked them to visit Haiti "to see how it is doing after three years of an embargo and after almost two years of military occupation" to reinstate Aristide.

Regarding the possibility of investing in businesses in Honduras, Romain stated: "I do not know if I have the money to do that."

He explained that he picked this country for political asylum because "some young friends of mine in Honduras with their parents" had give him information on the country.

Nicaragua

Nicaragua: Lacayo on Candidacy, Primary Elections

PA2404034696 Managua Canal Dos Television in Spanish 1600 GMT 21 Apr 96

[Interview with Antonio Lacayo, Pronal (National Project) presidential candidate, by reporter Carlos Fernando Chamorro during the "This Week" program at station studio in Managua — live or recorded]

[FBIS Translated Text] [Chamorro] Is your candidacy, which will be proclaimed today since there is no other candidate, unchangeable, or is it negotiable within the context of a possible alliance between Pronal [National Project] and other political forces?

[Lacayo] According to the Pronal statutes all candidates must earn their candidacy in primary elections. Candidates are definitely unchangeable, as we cannot present to the Supreme Electoral Council a candidate who has not earned his election within an electoral body [colegio electoral].

[Chamorro] Will Pronal consider the possibility of forming an alliance with other political forces, or does it feel strong enough to win the elections with its own candidates?

[Lacayo] We have the people. As recent surveys still show, most people are undecided. Political parties that are not ahead in the surveys, except for the Liberal Alliance and the Sandinist National Liberation Front, are not strong. We have the people's strength.

[Chamorro] The surveys, however, some that were conducted by the Media Research Center [Centro de Investigaciones de la Comunicacion] with no funds from the political parties, do not reflect that during the past few months Pronal has had a better rating than during the first months of last year. Where does Pronal stand as a political party?

[Lacayo] We entered the process in January. We discontinued propaganda activities and went through an unprecedented experience in our country: Real primary elections. Anyone who wished to become a candidate had to seek support within Pronal in order to get the necessary votes to be elected. In other words, our main leaders and cadres in the countryside and Managua worked hard to be elected, which was correct, without any political propaganda, of course. Effective today, 21 April, all those internal activities are over and we will begin to campaign. For us, our campaign begins today. We do not care about the past. We had to chose our candidates well, and fortunately until now we have done very well; we have the best list of candidates for mayors and deputies in the country. I am sure that with the vice presidential candidate to be elected today, Pronal and I will have a team group that compared with the team groups of other parties, will have a preferential place in the national opinion.

[Chamorro] How much has Pronal spent in its electoral campaign and is it open to the scrutiny of its expenditures?

[Lacayo] We spent over 700,000 cordobas in the primary elections, which began in January. Most of those funds have been obtained here in Nicaragua, from businessmen who believe in our party, who fortunately are more each day. Our transmission this afternoon in Channel 2 will be totally financed by men and women in the flesh whose names will be announced. The same will happen with our transmissions in Radio Corporacion, Radio Nicaragua, and Radio Mundial. We give the names of our sponsors. We have also obtained some funds for training, which we have used to train party members to carry out an unprecedented event: A Latin American political party conducting internal primary elections as the ones we just had.

[Chamorro] Let us talk about your candidacy. You have said that the Supreme Electoral Council [CSE] will have to accept and register your candidacy, because the law is not retroactive. What would happen however, if the CSE has a different interpretation and decides not to accept your candidacy. Would you abide by the CSE's decision and the law in that case?

[Lacayo] I have said since 11 January when I launched my candidacy that I am a man who respects the law. Why? Because I believe in the state of law; I am a democrat. I would never hold a rifle and go to the mountains to rebel against a CSE decision. I believe, however, that the possibilities of the CSE not registering my candidacy are very few, because it is the Nicaraguan CSE, and in Nicaragua laws have no retroactive effect. On the other hand, if the law had a retroactive effect, a number of candidates starting with Daniel Ortega, and including Sergio Ramirez, Virgilio Godoy, and Eden Pastora, and many others who were top government officials during the Sandinist government would not be able to run as candidates either. I believe that the law is not retroactive. Article 38 of our Constitution says it is not retroactive. If it is going to be retroactive for one, it will also have to be retroactive for the others, in which case we will be left without any candidates, and I would accept it.

[Chamorro] Assuming that the CSE does not register your candidacy, what would you do? Would you run as candidate for deputy for your party or would you rather not run for any other public post in these elections?

[Lacayo] I would like to stress this: We are in Nicaragua, and the Nicaraguan CSE must rule according to Nicaraguan laws. Perhaps you are worrying about things like what would happen if I die at this moment...

[Chamorro] I think no one is wishing anyone's death.

[Lacayo] Some people want to kill me. For the past two years some people have tried to kill me politically, have attempted to kill me. They have tried to deprive me of rights that I believe all Nicaraguans have now that we live in democracy. When we lived in a dictatorship, under Somoza or the Sandinists, things were different. Now that we live in a democracy, all citizens have the same rights before the law. This is a fundamental principle, which if broken, would mean that our democracy has been broken. Nonetheless, I believe that our democracy is advancing, consolidating, and getting stronger. It is the duty of all Nicaraguans to preserve it with more progress and work, so that our country will have no more setbacks.

[Chamorro] The question, however, is inevitable. It is on the carpet. The public wants to know what Antonio Lacayo would do in a given situation. Would he run as candidate for deputy? Would he withdraw? Would he still be a candidate for Pronal?

[Lacayo] The CSE does not permit any candidate to register after 17 May. The scenario you are describing could take place in June, when the CSE will answer the claims [impugnaciones]. No new candidates can register in June. I could not run for any other post. Simply, in this case, let's say a political death would force Pronal to again gather the 8,000 people who will meet here today — you saw the long list published in LA PRENSA yesterday — to elect our presidential candidate and make whatever decisions are necessary according to the CSE, and we would continue our struggle.

[Chamorro] We will see what the political future holds for you. Thank you Engineer Lacayo.

Argentina

Argentina: Menem Notes 'Firm Stand' on Paraguayan Officers

PY2304133396 Buenos Aires TELAM in Spanish 1302 GMT 23 Apr 96

[FBIS Translated Text] Buenos Aires, 23 Apr (TELAM) — President Carlos Menem emphasized today that Argentina "will take a firm stand and will make efforts to get the rebellious Paraguayan military officers to change their attitude and enable democracy to continue."

Menem pointed out to Radio 990: "If not, Paraguay will be totally isolated, not only within Mercosur [Common Market of the South], but in the entire world."

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1304 GMT on 23 April in a similar report adds: "President Carlos Menem announced this morning that, if his Paraguayan counterpart, Juan Carlos Wasmosy, 'deems it appropriate and solicits it,' he will travel to Asuncion today to express the 'total and absolute solidarity of the Argentine people.' In remarks to Radio 990, Menem said: 'I will again try to talk to him, as I did last night, and, if he deems appropriate my presence, I will go to Paraguay immediately after the ceremony in Cordoba."]

Argentina: Menem on Mercosur Envoys' Role in Paraguay

PY2304134196 Buenos Aires TELAM in Spanish 1306 GMT 23 Apr 96

[FBIS Translated Text] Buenos Aires, 23 Apr (TELAM) — President Carlos Menem emphasized today that we, the Mercosur [Common Market of the South] presidents, "have instructed our ambassadors" in Asuncion "to mediate, along with other concerned countries, like the United States, in this situation" prevailing in Paraguay.

In remarks to Radio 990, Menem criticized Paraguayan General Lino Oviedo. Menem said Oviedo "has rebelled against the president (Juan Carlos Wasmosy) and the Constitution of Paraguay."

Argentina: Justicialists Express Solidarity With Paraguay

PY2304213396 Buenos Aires TELAM in Spanish 2047 GMT 23 Apr 96

[FBIS Translated Text] Buenos Aires, 23 Apr (TELAM) — The bloc of Justicialist Party [PJ] deputies today expressed solidarity with the constitutional government of Paraguay and warned that any rupture of the democratic system will imply serious consequences in the integration process of the Mercosur [Common Market of the South].

"Any rupture of the democratic system will imply serious consequences in the integration process of the Mercosur," said the Justicialist bloc in a communique signed by its leader, Jorge Matzkin, from La Pampa Province.

Matzkin, who met today with Foreign Minister Guido Di Tella in Congress, traveled to Paraguay together with a delegation of congressmen headed by the foreign minister.

In the communique, the PJ stated that "we hope that these conflicts will be resolved through strict compliance with the Constitution."

It adds that "we are forced, as partners in this great regional integration effort of the Mercosur, to categorically reject any attempt to subvert the established constitutional order."

The PJ bloc also expressed "its solidarity" with the people of Paraguay, who "elected democracy as a way of life after a long nightmare in which human rights were systematically violated and the sister country was isolated from the rest of the world."

Argentina: Menem Phones Israeli, Lebanese, Palestine Heads

PY2304132196 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2356 GMT 22 Apr 96

[FBIS Translated Text] Buenos Aires, 22 Apr (NA) — President Carlos Menem tonight phoned Israeli Prime Minister Shim'on Peres, who thanked Menem for "his interest and his negotiations" in support of the peace process in the Middle East.

This information was supplied by Media Secretary Raul Delgado shortly after Menem called Peres, at about 1900 [2200 GMT].

Menem also talked with the Lebanese prime minister, who was in Syria at that time. Menem also tried to talk to Palestinian leader Yasir 'Arafat. Given the time difference, however, Menem will call 'Arafat on 23 April.

During their conversation, the Israeli prime minister told Menem that "great efforts are being made to achieve a truce" in Lebanon.

Delgado reported that Peres told Menem that he planned to meet U.S. Secretary of State Warren Christopher and that, after this meeting, "he would call back."

Delgado said Peres thanked Menem for his efforts in support of a truce in the serious situation prevailing in Lebanon over the war between Israel and the pro-Iranian terrorist group Hizballah.

The president of the Republic raised the same issue during a subsequent conversation with the Lebanese prime minister, but no further details on this conversation were reported.

Delgado reported that the president tried to talk to 'Arafat tonight, without fail, to confirm his efforts for a cease-fire between the parties in conflict.

Given the time difference between Buenos Aires and the Middle East, however, the telephone conversation between Menem and 'Arafat would actually take place in the early morning hours of 23 April.

The Argentine Government today sent clothes, medicine, and food worth 1 million pesos to south Lebanon as an assistance for the people affected by the Israeli bombing of a refugee camp in south Lebanon.

Two Boeing 707 planes from the Argentine Air Force left the Ezeiza International Airport tonight, with 60 metric tons of cargo and a delegation headed by White Helmets chief Octavio Frigerio and President Menem's personal doctor Alejandro Tfeli.

After Israel's strongest strike against south Lebanon on 19 April, Menem announced that White Helmets would be sent to cooperate with those affected by the bombing in which more than 100 people were killed.

Menem described as "disastrous" and "extremely serious" the situation in Lebanon and said he believed the Israeli response to the Hizballah guerrillas was "too violent."

Argentina: Menem on Christopher's Mediation in Lebanon

PY2304151096 Buenos Aires TELAM in Spanish 1417 GMT 23 Apr 96

[FBIS Translated Text] Buenos Aires, 23 Apr (TELAM) — President Carlos Menem said today he trusts U.S. Secretary of State Warren Christopher's ability to find a formula that will end hostilities between Israel and Hizballah.

Menem told Radio 990: "The situation has become worse and there are opposite stances, but I trust the talent and ability of the men involved in this process, especially in the U.S. intervention through the Department of State, headed by Christopher."

The president noted that as part of a round of contacts with Middle East leaders, he talked yesterday afternoon with Israeli Prime Minister Shim'on Peres and Lebanese Prime Minister Rafiq al-Hariri.

The president indicated: "I will possibly talk with (Palestinian National Authority President) Yasir 'Arafat within the next few hours."

Argentina: Actions Against Paraguay's Wasmosy 'Condemned'

PY2304221596 Buenos Aires TELAM in Spanish 2101 GMT 23 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 23 Apr (TELAM) — Several political sectors of our country have fully condemned Paraguayan Army Commander General Lino Oviedo, who has risen up in open rebellion against the constitutionally-elected administration of Juan Carlos Wasmosy.

Vice President Carlos Ruckauf reiterated the Argentine Government's support for the democratic system in Paraguay and called upon Oviedo to run for the presidency in democratic elections if that is his aspiration.

Ruckauf spoke in favor of "the resolute defense of democracy and freedom in each one of the countries of the Americas," stressing that this is an "ongoing" position maintained by President Carlos Menem. [passage omitted]

Federico Storani, Radical Civic Union [UCR] bloc leader in the Chamber of Deputies, said that he traveled to Asuncion together with Foreign Minister Guido Di Tella to "convey to President Wasmosy our support for the democratic system of government and our condemnation of the coup attempt."

Mario Negri, UCR bloc secretary general, announced that his party will submit a draft resolution demanding that the Chamber of Deputies request intervention by the OAS and United Nations.

Grand Front leaders Carlos "Chacho" Alvarez, Carlos Auyero, and Juan Pablo Cafiero showed solidarity with the Paraguayan people "in light of the difficult situation confronting that country."

In a note addressed to the Paraguayan ambassador to Argentina, the Grand Front leaders expressed their support for the Wasmosy administration and "their resolute condemnation of Gen. Oviedo's uprising, which constitutes a threat to the rule of law and democratic institutions."

The Democratic Socialist Party (PSD) also joined in with the other parties to express "its steadfast support for the consolidation of the Paraguayan democracy and, at the same time, condemn any military attempt at insurrection and a disruption of democracy." [passage omitted]

Argentina: Wasmosy Told Menem Situation 'Under Control'

PY2404010996 Buenos Aires TELAM in Spanish 0009 GMT 24 Apr 96

[FBIS Translated Excerpt] Anillaco, 23 Apr (TELAM) — Government sources have reported that President Carlos Menem today received a telephone call from Paraguayan President Juan Carlos Wasmosy, who told him that situation in Paraguay is "under control and overcome."

Wasmosy expressed thanks for the interest shown by the Argentine Government as soon as people learned about the political and institutional situation deriving from the position adopted by Paraguayan Army Commander General Lino Cesar Oviedo, the consulted sources reported. [passage omitted]

Argentina: Minister on Allegation Arms Diverted to Ecuador

PY2304190396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1108 GMT 23 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 23 Apr (NA) — Defense Minister Oscar Camilion has defined the government's responsibilities in the case involving the diversion of an arms shipment to Ecuador. He denied he would resign "at such a difficult time."

During a news conference yesterday at which he introduced Rear Admiral Jose Reilly, Armed Forces judge advocate general, Camilion pointed out: "The government cannot be held responsible for actions behind its back or the backs of Defense Ministry enterprises."

In keeping with President Carlos Menem's specific petition that the Defense Ministry investigate, Camilion decided that Rear Admiral Reilly will head this investigation. [passage omitted]

During the news conference in which he was flanked by Military Affairs Secretary Jorge Baeza and Planning Secretary Guillermo Etchechoury, Camilion emphasized: "We will support the investigation and cooperate with the courts."

Camilion pointed out: "Proceedings are under way within the Army to define responsibilities." Nevertheless, Camilion explained this investigation "is not aimed at the Army, but at the Army personnel involved in this operation."

Camilion noted "there are no deadlines" for the probe, "but it must be done as quickly as possible." He rejected reports of his alleged involvement in the diversion of an arms shipment to Ecuador during the conflict in the Condor mountain range.

Rejecting the criticism voiced by opposition parties, which called on him to resign as defense minister over this controversy, Camilion emphasized: "The possibility that I could be involved is unthinkable."

Noting that "like many other cabinet members," impeachment petitions have been filed against him "since last year," he emphasized that he does not consider resigning "at such a difficult time."

Camilion pointed out: "I did not rule out the possibility of resigning. Nevertheless, it is unthinkable for me to resign at such a difficult time. I am very interested in resolving this issue as soon as possible. There are no Russian or Iranian weapons in our country." [passage omitted]

Argentina: Menem To Visit UK Possibly Before End of Year

PY2304201796 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1554 GMT 22 Apr 96

[FBIS Translated Text] Buenos Aires, 22 Apr (NA) — President Carlos Menem confirmed today that he plans to visit Great Britain "possibly before the end of the year," thus complying with a personal wish he has had since his installation in 1989.

Menem announced this visit during a meeting with journalists at Government House. If his visit to London indeed takes place, this will be the first time an Argentine president has visited Great Britain since the 1982 war over the Malvinas Islands.

Menem said that "relations with Great Britain are good, and I still say the same," regarding his forecast that "before the year 2000, Argentina will recover the Malvinas Islands."

He explained that "there is still nothing" official about his trip to London. He insisted, however, on explaining that it will "possibly" take place before the end of the year.

Menem then confirmed that he will travel to Morocco in June, but did not set the date for it. He pointed out that his trip to Middle East countries, such as Israel and Palestine, is still pending. He explained that "it will depend on events," because clashes between Arabs and Israelis have increased in the last few days.

Regarding the conflict in the Middle East, Menem said that today he will start "a round of negotiations among some leaders — Yasir 'Arafat, Shimon Peres, and Bill Clinton — in order to see how Argentina can contribute to finding a solution to this extremely serious problem."

Menem then confirmed that in June he will travel to Belgium to attend a meeting between representatives of the Common Market of the South and the EU. During the meeting, the representatives will continue to discuss the process of economic exchange between the European and American markets, as agreed upon at the summit meeting held in Spain at the end of last year.

Brazil

Brazil: Cardoso, Military Discuss Paraguay Situation

PY2404020896 Madrid EFE in Spanish 1641 GMT 23 Apr 96

[FBIS Translated Text] Brasilia, 23 Apr (EFE) — Brazilian President Fernando Henrique Cardoso met with the military high command to analyze the crisis in Paraguay, where a general has rebelled and is resisting with his troops in an Army unit.

According to diplomatic sources, Cardoso categorically asserted his firm support for the Paraguayan constitutional government and its president, Juan Carlos Wasmosy.

Acting Foreign Minister Sebastiao do Rego Barros also participated in the meeting. Cardoso asked him to maintain permanent contact with all the foreign ministers of the Mercosur [Common Market of the South].

The Brazilian Government maintains permanent contact with Wasmosy and the governments of Argentina, Uruguay, and the United States, a country that also condemned the military rebellion.

The Brazilian Foreign Ministry last night released a communique warning that it will not allow any coup against institutionality in Paraguay.

"Neither Brazil nor any neighboring country will allow the rupturing of democratic stability in the region," Do Rego Barros said.

The Brazilian Foreign Ministry communique states that the "Brazilian Government is following with deep concern what is going on" in Paraguay, which "constitutes a serious threat to the democratic institutions and constitutional order established in that sister country."

The communique adds: "Brazil trusts that patriotism and respect for the legal order and democracy by the public of Paraguay will prevail to preserve the constitutional order and, above everything, to ensure that the sovereign will expressed by the Paraguayan people in free and democratic elections is respected."

The communique points out that "Brazil, a friendly country and neighbor of Paraguay, partner and ally in the Mercosur, repudiates any action that implies the rupturing of the constitutional and democratic order" in that country.

"Such a rupture, besides harming the process of consolidation of democracy in the continent, consecrated in norms adopted by the OAS, the Rio Group, and the Mercosur, seriously affects the cooperation between Brazil and Paraguay in all its aspects," the note issued by Itamaraty (Brazilian Foreign Ministry headquarters) states.

According to media sources, in the event of a coup, the countries of the Mercosur — a bloc whose treaty excludes any member that suffers an incident blocking the institutional order — will immediately close their borders to completely isolate Paraguay, which has no passage to the sea.

Brazil: Guterres Says EU Cannot Meet Portugal's Destiny

BR2304143996 Lisbon DIARIO DE NOTICIAS in Portuguese 19 Apr 96 p 12

[Report by Maria Joao Rocha: "Prime Minister Calls for Brazilian Investment in Portugal: 'Associates and Partners'"]

[FBIS Translated Excerpt] Sao Paulo — Brazilian businessmen were seduced by the effectiveness of the discourse and "operation charm" of the Portuguese prime minister. At the meeting of the Industry Federation of the State of Sao Paulo [FIESP] Antonio Guterres was received as warmly as if he were one of their own.

Beside Guterres was one of the most powerful politicians in Brazil, Sergio Motta, communications minister and right-hand man of President Fernando Henrique Cardoso. This was a very real guarantee as to the commitment of the Brazilian Government in the new phase of relations between the two countries.

The Portuguese prime minister was forthright and said what the businessmen wanted to hear, if we are to judge from the show of support he received.

"Sometimes, with the delusions of grandeur common to small countries, Portugal has said that it is the key for Brazil to enter Europe. But Brazil does not need Portugal to enter Europe and we do not need Brazil to enter Mercosur. We have to be associates and partners in a strategic cooperation between governments and companies."

Antonio Guterres would not have heard the people at the back of the hall saying "very good," but he would have felt that the atmosphere was favorable to him and he continued by repeating an idea that has won over the Brazilians: "Portugal has been wrapped up in Europe for the past 10 years, but the EU cannot fully meet Portugal's destiny. Our economic survival relies on markets such as Brazil and strategic partnerships, however important it is for us to remain at the "center" of the EU.

In a speech in which politics and economics mixed the prime minister made a direct appeal for the Brazilian economic leaders to invest in Portugal and presented certain indicators, such as the rate of inflation, exchange rate stability, and the reduced cost of borrowing as incentives for businessmen to set Portugal in their sights."

The prime minister then took the opportunity to praise the Portuguese employers' federations (the presidents of CIP, AIP, and AIPortuense were present in the hall) for having "in association with the moderate trade unions" signed the social agreement and the short-term agreement. This was also his way of saying: "See how this can only have advantages." [passage omitted]

Brazil: Portuguese Prime Minister Guterres Concludes Visit

PY2404024796 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 96 p A5

[FBIS Translated Text] Rio de Janeiro — Portuguese Prime Minister Antonio Guterres leaves for Portugal at 0045 on 21 April, after a seven-day visit to Brazil. He spent 20 April in Rio de Janeiro and visited the Portuguese Reading Room [in downtown Rio]. Early in the afternoon he had lunch at the Sao Clemente Palace with members of the Portuguese community living in Rio de Janeiro.

Brazil: Patent Bill Reportedly Not To Be Modified

PY2404113196 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Apr 96 Section 1 p 7

[Article by Raquel Ulhoa and Fernando Rodrigues]

[FBIS Translated Text] This week Chamber of Deputies President Luis Eduardo Magalhaes (PFL-BA) [Liberal Front Party-Bahia] will send the new industrial property rights bill — the so-called Patent Bill — to President Fernando Henrique Cardoso for approval.

The Chamber of Deputies Secretariat has advised Magalhaes not to adopt any measure to modify the bill approved by the lower house, despite the fact that the bill was irregularly modified during the final voting session.

The bill could not be modified during that session. However, through a maneuver by Deputy Valdir Colatto (PMDB-SC) [Brazilian Democratic Movement Party-Santa Catarina], which was not perceived by the pro-government party leaders, the Chamber of Deputies approved an amendment that restricts the patenting of microorganisms only to transgenic microorganisms. A transgenic microorganism is one obtained by means of the genetic modification of an organism that already exists in nature.

If he wants to maintain the original bill — which does not describe what kind of microorganism can be patented — Cardoso would have to issue a Provisional Measure or send a draft bill to Congress with such a purpose in mind.

The administration is concerned with the change made by the Chamber of Deputies. The main concern is that the WTO might come to the interpretation that Brazil is disobeying the Trips [Trade Related Intellectual Property Rights] agreement signed during the international negotiations on the subject.

The Trips orders the countries to regulate the patenting of mircoorganisms, but it does not impose any restrictions.

The bill approved by the lower house withdraws the possibility that microorganisms invented by other methods — like molecular genetic engenieering — could be patented.

Colatto claims that the wording of the bill contained "technical" mistakes.

Brazil: Status of Brazil-Bolivia Gasline Project Viewed

96SM0220A Sao Paulo GAZETA MERCANTIL in Portuguese 1 Apr 96 p C3

[Article by Fatima Belchior and Eugenio Mellon: "Brazil and Bolivia Start Taking Bids on Gasline"]

[FBIS Translated Text] In April, Petrobras [Brazilian Petroleum Corporation] and Yacimientos Petroliferos Fiscales Bolivianos (YPFB) [Bolivian Government Oil Deposits] will take a significant step toward making the Brazil-Bolivia gasline project a reality. The two state enterprises will, in their respective countries, publish invitations to bid, seeking quotes on the 3,000 kilometers of pipes that will make up the pipeline. Just this one part of the project should involve about $500 million, out of a total investment of $1.8 billion.

Last week was decisive in arriving at this phase of the deal, which involves not only Petrobras and YPFB, but their partners BTB (BHP [Broken Hill Proprietary] Power, Tenneco, and British Gas) and Enron. During the course of several meetings, representatives of each company executed a shareholders agreement permitting the invitations to be published by the two state enterprises, even though the two companies that will operate the gasline on the Brazilian and Bolivian sides have not yet been set up.

Antonio Luiz Silva de Menezes, superintendent of the executive group formed to implement the acquisition of gas from Bolivia, expects that the international competitive bids to supply the pipes will be evaluated in October. This means that orders could be placed in November and delivery could occur in about March, which would allow assembly to begin in 1997.

Menezes said the jump-start given by last week's arrival at an agreement is important not only because it means the pipes can be purchased, but it will also help finalize the financing. Companies involved in the Brazil-Bolivia gasline have already negotiated loans from the World Bank, the IDB [Inter-American Development Bank], the Eximbanks [as published], and the National Bank for Economic and Social Development (BNDES). These institutions will contribute 70 percent, and the shareholders will supply the remaining 30 percent from their own funds. However, the guarantees sought by those institutions vary.

A guarantee of consumer demand has been prominent in negotiations with the financial institutions, since revenues from the sale of natural gas will be used to pay off the loans. The contract with Minas Gerais State has already been signed, and the others (with Mato Grosso, Sao Paulo, Parana, Santa Catarina, and Rio de Janeiro) are in the advanced stages, according to Menezes.

Signed in February 1993, the natural gas purchasing contract between Petrobras and YPFB calls for delivery of 8 million cubic meters of gas per day in 1998. Beginning in the eighth year, deliveries could soar as high as 25 million cubic meters daily. When the plans were reviewed last year, it was decided to increase the diameter of the pipes from 28 to 32 centimeters, thus increasing the maximum capacity of the gasline, previously forecast at 16 million cubic meters per day.

Eugenio Mancini, director of the National Energy Development Department (DNDE) of the Ministry of Mines and Energy said that concurrently with its plans to import natural gas, Petrobras intends, within the next few years, to double the volume of natural gas from Brazilian basins that is available to Rio de Janeiro, Belo Horizonte, and Sao Paulo,

Within three years, the state enterprise will also be able to produce up to 8 million cubic meters per day of natural gas in the Urucu basin, in the Amazon region. That output may be used to fuel power plants that would serve the Manaus market.

The availability of Bolivian gas will probably spark several undertakings in the electricity generating field. Six natural gas-fueled generating stations are being planned for construction between now and 2002, according to Demostenes Barbosa, director of the National Water and Electric Power Department (DNAEE), the electric utility oversight body. "Private enterprises will be asked to bid on these plants," Barbosa added. They are: Corumba I and II (Mato Grosso do Sul), at 60 megawatts each; Campo Grande I and II (Mato Grosso do Sul), at 100 megawatts each; and the 70 megawatts Campo Grande III.

Besides these plants, it is expected that the Piratininga generating station, owned by Eletropaulo [Sao Paulo Power, Inc.], will be converted from fuel oil to natural gas next year and its capacity raised from 240 to 1,500 megawatts. This survey does not yet include plans by private domestic and foreign companies interested in getting into the electricity generating business. "It is thought that fossil fuel generating stations will play a bigger role in the future, given the difficulty of raising investment funds for hydroelectric projects," Mancini said.

Many of the remaining [proposed] major hydroelectric facilities are in the Amazon region, which means there are enormous environmental impacts, difficulties in obtaining foreign financing, and other problems. Within the federal government, the idea that fossil fuel generating plants are better suited to the independent producer model is gaining wider acceptance. Big hydroelectric plants mean high risks, compressed rates of return, and a lot of investment capital. Furthermore, as Mancini pointed out, the cost of generating electricity with natural gas is quite competitive when compared with the marginal cost of expansion.

This is why natural gas-fueled generating plants are so welcome under the present circumstances. With the resumption of economic growth in this country, the electric power industry is demanding an annual expansion of about 3,000 megawatts in generating capacity, over the 50,000 megawatts now installed. "Investments of about $6 billion would be needed to meet this demand, money the government recognizes it does not have," said Nelson Barreira, president of the Brazilian Association of Electric Utility Companies, an organization of private utilities.

Competition Among Multinationals

There is still not enough natural gas, and the laws that would regulate the entry of foreign companies into this industry—into either the distribution or generation of electricity produced with that fuel—exist only as rough drafts. Even so, the Sao Paulo market for these activities has already become an arena of intense competition among international conglomerates. Groups such as the BHP consortium, which is helping to build the Brazil-Bolivia Gasline, and Enron Corp., the world's largest independent producer of electricity using natural gas, are working behind the scenes of the Sao Paulo government in an effort to win concessions for thermal generating stations.

Brazilian groups like Cogera—a consortium of Petroquimica Uniao, Rhodia, Solvay do Brasil, and Carbocloro—also hope to equip their steam-turbine plants for future cogeneration of electricity for CESP [Sao Paulo Power Company, Inc.], using natural gas. In the area of distribution, the Camuzzi group, Italy's second largest distributor, seeks the right to transport and sell gas to a portion of the market in the interior of Sao Paulo State. Sao Paulo, the biggest market for natural gas, receives 3 million cubic meters per day from Petrobras, distributed by Comgas [Municipal Gas Company].

According to sources in the Sao Paulo Department of Energy, Enron and British Gas are engaged in a veritable tug-of-war with the Sao Paulo government. Both companies want the right to install generating stations under joint ventures with the Sao Paulo government without having to go through a competitive bidding process. The multinationals claim this right because of their participation in the Brazil-Bolivia gasline project.

The Sao Paulo government is steering clear of these onslaughts, having had its fingers burned in the bidding on the Bandeirantes-Anhanguera highway project. The Sao Paulo Government Accounting Office (TCE) ruled that the invitation for the second phase was improper because, it found, new items were added to the text of the initial invitation—which is illegal. "To avoid such predicaments, a group in the state government is studying the subject to see whether such a company could be formed," said one of the department's technical staffers.

Enron

According to sources in the department, Enron is believed to be interested in building a 1.36 million-megawatt thermal power plant somewhere in Sao Paulo State by setting up a joint venture with the state government. Rebecca Mark, president of Enron Corp., has already expressed an intention to invest in power plants along the route of the Brazil-Bolivia gasline. However, the company has not said anything about possible projects in Sao Paulo.

Enron is already well along in its negotiations with Mato Grosso Power Plants, Inc. (Cemat) leading toward the construction of a 450-megawatt natural gas-fueled generating station in Cuiaba that the state government estimates would cost $550 million. Last week, the governor of that state sent the legislature a plan for setting up a joint venture between Enron do Brasil, the group's subsidiary in this country, and Cemat to build the facility and act as an independent producer of electricity.

Right now, Enron is negotiating with Enersul, the Mato Grosso do Sul State utility, on construction of another 450-megawatt plant under a joint venture with that state's government.

The BTB Consortium

The BTB consortium, composed of British Gas (UK), Tenneco Gas (U.S.), and BHP Petroleum (Australia) is said by Sao Paulo government technical staffers to be interested in building an open-cycle thermal power plant, of up to 300 megawatts capacity, in that state. The idea is to keep the plant as a source of supplementary generating capacity, to be activated in periods when reservoirs are low.

David Mortimer, project director of British Gas, reported that the companies in the BTB consortium have plans to build one or more fossil fuel generating plants in Sao Paulo to supplement present electricity supplies. This would involve as much as $1.2 billion in investment. He said the group will be able to generate between 600 and 1,000 megawatts of electricity, distributed among various states. Mortimer said the group is willing to bid on generating projects in the state. "But there is a lot of uncertainty among the companies of the group as to who the customers of these plants will be, and we do not yet know the terms of the competitive bidding," he said.

The Cogera Group

Rhodia, Carbocloro, Petroquimica Uniao, and Solvay do Brazil, which formed the Cogera consortium, are pursuing studies with the Sao Paulo government on the possibility of cogenerating as much as 500 megawatts of electricity for CESP. To fund the project, the group intends to find a partner from among independent electricity producer companies that would underwrite the $450 to $500 million in investment needed to equip the group's industrial facilities with natural gas-fueled turbines. "We are going to look for a partner that specializes in generating, since we are not in the business of producing electricity," said Constantino Schwager, director of technology, information, and quality for Solvay do Brasil and spokesman for the Cogera group.

Certain things must take place before the project can get under way. First, regulations must be issued to implement the legislation that opened the Brazilian electric power sector to independent and self-producers of electricity. Then we must await the arrival of the natural gas, imported from Bolivia. About 3.5 million cubic meters per day of fuel, 17 percent more than the average volume now supplied by Comgas, will be needed to begin cogeneration.

The Camuzzi Group

The Camuzzi group, which already distributes natural gas in Argentina, intends to win major segments of the Sao Paulo market. The group plans to invest as much as $1 billion to establish its own infrastructure for importing gas from Argentina and distributing it in Sao Paulo, according to Jorge Pinheiro Machado, the company's representative in Brazil.

For the deal to be viable, a gas liquefaction plant would have to be built in Argentina at an estimated cost of $400 million. An expansion station in Sao Paulo—to convert the fuel back to a gaseous state—would cost $300 million. Another $300 million would be spent on construction of a pipeline and the purchase of ships specifically designed to carry LNG [liquified natural gas]. Fabrizio Garilli, president of Camuzzi, visited Sao Paulo in March to try to find Brazilian partners for the project.

This group is also waiting for certain events to occur: first, the regulations implementing the relaxation of the Petrobras monopoly that will permit importation of natural gas; second, decisions on the area covered by Comgas' concession, to detach the areas not yet being exploited. The Camuzzi group thinks the municipality of Campinas and the Paraiba valley are attractive.

Sao Paulo Looking for Alternatives

The Sao Paulo government is looking for alternatives to natural gas from Bolivia. Comgas considers the price of $2.70 per million BTU [British thermal unit] at which the Bolivian gas will reach the "city gates" [preceding words in English] of Sao Paulo to be very high, compared with $2.38 for domestic gas. And some of the clauses in the contract for gas from Bolivia, such as those that call for Petrobras to share in the profits from the sale of gas, are distressing to the state distribution companies, Sao Paulo Energy Secretary David Zylbersztajn said.

This displeasure led to the signature, by the Sao Paulo government on 12 March, of two protocols of understanding with the governments of Mato Grosso do Sul, Parana, Santa Catarina, and Rio Grande do Sul with a view to strengthening the state distribution companies' bargaining power with Petrobras. "The driving force behind these protocols is a mutual dissatisfaction with the conditions imposed by Petrobras," said Zylbersztajn. One of the protocols unites the distributors in joint negotiations on the Bolivian gas supply contract. The other seeks alternative sources, all of them involving supply of LNG by maritime means.

Technical and financial feasibility studies on the possibility of importing LNG from Russia are already being made at the department, Zylbersztajn reported. He added that the Russian Government, through embassy personnel and technicians from Gasprom, the state petroleum company, have given assurances that they can put LNG in Sao Paulo at $2.10 per million BTU, which is less than Petrobras charges for Brazilian gas. Russia agrees to supply the state with up to 10 million cubic meters per day of LNG, according to the secretary.

Then there is the possibility of importing LNG from Argentina. The Camuzzi group of Italy, which distributes natural gas in southern Argentina, is offering Comgas 8 to 10 million cubic meters per day at $2.05 to $2.10 per million BTU, according to Jorge Pinheiro Machado, the group's representative in Brazil. The fact that the price is lower than that offered by Russia is due to the geographic proximity of the two countries.

Camuzzi holds control of both distributors in southern Argentina—Camuzzi Gas Pampeana and Camuzzi Gas del Sur—which distribute 24 million cubic meters per day. Camuzzi's project also calls for investing $1 billion in distribution of that fuel in Sao Paulo.

Consulting firms with ties to foreign groups interested in the Sao Paulo market say, however, that it is unlikely that the Russians can offer the gas at that price. They point out that Russia does not have facilities to liquify natural gas, although it is the world's largest producer of the fuel and distributes the monstrous quantity of up to 1.5 billion cubic meters per day. It would take about four years to build a liquefaction station in that country, according to these sources.

They also say that the cost of freight to bring the gas from Russia to Brazil on a methane carrier averages $1.5 per million BTU, that $1 per million BTU would be spent to liquify the gas, and that it would cost $0.50 to convert it back to gas.

A final alternative, importing LNG from the British gas base in Trinidad/Tobago, has also been ruled out, by the British group itself. David Mortimer, the company's project director, said this alternative was examined before the group decided to invest in the Brazil-Bolivia gasline. It was concluded that the Bolivian gas would be cheaper.

Chile

Chile: President Condemns Threat to Democracy in Paraguay

PY2304141696 Madrid EFE in Spanish 1321 GMT 23 Apr 96

[FBIS Translated Text] Santiago, 23 Apr (EFE) — Official sources reported today that Chilean President Eduardo Frei expressed solidarity with Paraguayan President Juan Carlos Wasmosy and condemned any action that threatens democracy.

A communique of the Chilean Foreign Ministry expressed the Chilean Government's "profound concern" over the attempt by Army Commander General Lino Oviedo to subvert institutional order and President Wasmosy's authority.

The communique says President Eduardo Frei expresses solidarity with President Juan Carlos Wasmosy and adds that Chile "condemns, along with the international community, any effort that threatens democracy in that sister country."

Chile: Foreign Ministry Official Travels To Paraguay

PY2404004296 Madrid EFE in Spanish 2050 GMT 23 Apr 96

[FBIS Translated Text] Santiago, 23 Apr (EFE) — Fabio Vio, Chilean Foreign Ministry special policy director, today traveled to Asuncion to express support for the constitutional government of that country, following the rebellion of the Army commander, General Lino Cesar Oviedo.

The Chilean diplomat will attend in Asuncion the ceremony of change of command in the Army, which will take place in the next few hours.

Vio, as pro tempore secretary of the Sixth Ibero-American Summit, will also give President Wasmosy a letter of support from the coordinators of the summit, which will take place from 7 to 11 November in Chile.

"We condemn any attempt to violate the constitutional and democratic order whose essential basis is the supremacy of civilian power represented by the democratically elected authorities headed by President Juan Carlos Wasmosy," the Ibero-American letter states.

The letter likewise reiterates the trust in representative democracy "as the only way of peaceful coexistence in Ibero-America."

Finally, the coordinators of the Ibero-American summit urge those who intend to modify this legal framework by force to surrender such an attitude, "which harms not only the Constitution of that country, but also the basic values of the Ibero-American and international communities."

Fabio Vio traveled to Asuncion from Buenos Aires on the same airplane in which Argentine Foreign Minister Guido Di Tella traveled.

Chile: 'Bridge Clause' in Talks With EU Implemented

PY1904125196 Santiago EL MERCURIO in Spanish 17 Apr 96 pp A1, A12

[Report by special envoy to Cochabamba Elia Simeone]

[FBIS Translated Text] Yesterday in this city, Chile and the EU agreed to include the so-called bridge-clause [clausula-pasarela] in the trade talks. This declaration will be attached to the new bilateral cooperation agreement.

This clause enables future trade liberation talks to be held simultaneously with the negotiations the EU will start with the Common Market of the South (Mercosur), thus facilitating a single great tripartite agreement.

EL MERCURIO was told that this agreement was reached during the meeting between Foreign Minister Jose Miguel Insulza and the European troika, headed by Italian Foreign Minister Susana Agnelli and the Spanish and Irish representatives. Manuel Marin, vice president of the European Commission, also attended the meeting.

The meeting with the troika is the first political meeting between Chile and the EU since they signed the Declaration for Political Dialogue on 18 December 1995 in Madrid. This declaration institutionalizes a consultation and consensus mechanism at the highest level, and contemplates the possibility of using this mechanism in conjunction with Mercosur.

The formula being assessed for Chile and Mercosur to join in the political dialogue with the EU is allegedly that Chile will act as observer in all internal activities of the subregional bloc as of 25 June, which is when it is hoped Chile will sign an agreement with the four Latin American member countries.

Europeans and Chileans are very optimistic that the bilateral agreement will be reached this month. The meeting to take place in Santiago on 19 April will be the key to clarifying some complex issues on which disagreements prevailed. One of these issues was the so-called bridge-clause for a trade dialogue with Mercosur. This problem was resolved yesterday in this city during the meeting between Insulza, the European troika, and Marin.

Juan Prat, director general of the European Commission; Karl Buck, chief administrator of the council of ministers secretariat; and the representatives of Italy, Spain, and Ireland, which comprise the current European troika, will attend the technical meeting on Friday on behalf of Europe.

Chile will be represented at the mentioned event by Foreign Under Secretary Mariano Fernandez; Carlos Mladinic, director general for international economic relations; Patricio Leiva, ambassador to the European Commission in Brussels; and Jose Goni, coordinator for European affairs of the Foreign Ministry's economic directorate.

During the meeting the parties will exchange views on issues on which there were strong disagreements during the first round of negotiations held on 15-26 March in Brussels.

Ambassador Leiva said that Chile and the EU share the political will to reach an agreement on 25-26 April in Brussels.

Minister Insulza said his meeting with the European troika was the first political dialogue between Chile and the EU since the Madrid declaration.

He commented: "The two parties acknowledged the great progress made and the real possibilities of reaching an agreement, and signing it soon."

He added that they also cleared up a matter on which there have been various interpretations, that is, the so-called bridges or links that should be maintained in order to combine the trade talks between the EU and Mercosur with those between Mercosur and Chile.

The EU believes Chile will join Mercosur. Therefore, although it can make bilateral progress with Chile now, there will come a time when it will have to unify negotiations under a sole great EU-Chile- Mercosur agreement.

Insulza explained: "We established that as negotiations between Chile and Mercosur advance, the EU and Chile should have the possibility to jointly negotiate, or not, with the EU."

Insulza said Chile favors leaving this possibility open and recalled that a similar measure is included in the bilateral declaration on political dialogue signed with the EU.

However, Chile does not consider believe a measure like this on joint trade negotiations among Chile, Mercosur, and the EU should be included in the text of the new framework cooperation agreement that Chile hopes to sign with the European bloc on 22 June, during the European Council in Florence.

Thus, it was agreed that the bridge clause on trade negotiations will be included in a document that will be attached to the bilateral Chile-EU agreement. The parties must decide which is the most adequate juridical formula, because it can be included in a declaration, or in an annex, or in a complementary protocol.

Insulza said he always clearly understood Marin's proposal for the bridge clause, noting that the European representative wants to prevent the EU from signing agreements only to have to modify them as the Latin American scenario changes.

Insulza said: "He wants to allow for flexibility in the way the negotiations are carried out. We fully agree with him and now this problem has been completely resolved."

Chilean diplomatic sources confirmed that the yesterday's agreement seeks to reach a bilateral agreement with the EU and, in the annex declaration, leaves open the possibility for joint commercial negotiations with Mercosur.

Even though an annex document has the same value as the main agreement, it is not part of it. This formula is more advantageous for Chile because the government believes it is not convenient to include in the text of the bilateral agreement with the EU, a measure that would need the approval of a third party that is not part of the agreement, as is the case of Mercosur.

Regarding the EU's willingness to allow Chile to make greater progress than Mercosur in its negotiations with the European bloc in fields in which it is more advanced, such as services, investments, etc., Minister Insulza said his government is quite happy.

He stated: "However, I believe the problem of making greater or lesser progress does not really depend on the interlocutors, but rather on the EU. Therefore, I don't think Chile will make substantial progress while other EU alternative partners remain where they are now. I think this will depend on decisions the EU will make regarding its commercial policy during the coming years."

The 6th Institutionalized Meeting of Rio Group and EU Foreign Ministers ended in this city yesterday. The main agreements reached were included in a joint declaration signed by the Latin American and European foreign ministers.

Ambassador Patricio Leiva told EL MERCURIO that the main result of this meeting was that, for the first time, it was held within a framework in which new institutions and dialogue forums between the EU and Latin America are surfacing as a result of agreements the EU is reaching with Mercosur, Central America, Chile, Mexico, and probably later on, with the Andean Group.

Leiva said: "A new situation has arisen in that the Rio Group, based on the decisions adopted in 1994, and the EU have established a new complementary strategy to cater for the characteristics of their regions or countries that are subject to specific agreements between the EU and Latin American countries."

A second aspect he mentioned is the assessment of the five years of institutional dialogue during which it was decided that the rapprochement strategy used was correct and, therefore, it will be enhanced.

Regarding political issues, Leiva said important decisions were reached regarding the decertification or certification issue, and implicit repudiation of the Helms-Burton law implemented by the United States against Cuba.

Chile: Envoy to EU Says Exports To Be Enhanced by GSP

PY2304121296 Santiago EL MERCURIO in Spanish 19 Apr 96 p C4

[FBIS Translated Text] Chilean Ambassador to the EU Patricio Leiva told this newspaper that Chilean exports to the European market will be greatly enhanced by the new reduced EU Generalized System of Preferences [GSP].

The ambassador said the most relevant event over the past few months, within the normal development of ties with the EU, is the implementation of the new European GSP and the design of a new GSP for agricultural products.

In both cases, the basic idea is the same: To substantially maintain the preferences; to simplify the system as much as possible; and to add this new disposition in an effort to classify products according to their level of exports to Europe, seeking to reduce benefits when it is observed that, because of the competitivity of those products, they no longer require preferential treatment to enter the European market.

Leiva explained that, in the case of industrial products in general, the prevailing system accepted the preference Chile enjoyed. He said that as some preferences were expanded, others have been reduced.

One product for which no preference was possible is methanol because Chile is one of the biggest world exporters of that product.

He added that it has not been possible to determine if national agricultural exports will be adversely affected by the new definition because the GSP is still in the preparation stage and may be ready by the end of the first half of the year.

The GSP is a system through which a country or group of developed nations grant tariff preferences unilaterally for the entry into its market of certain products from developing nations.

Leiva said: "Chile enjoys important preferences. European statistics show that — because they have liberated tariffs on products Chile exports in a consolidated manner via the World Trade Organization (WTO) or via the system of preferences — about 80 percent of Chilean exports now enter the EU market fully liberated."

The ambassador said the new European GSP method does not affect the industrial products Chile exports to that market.

He added, however, that the new system is based on a dynamic concept through which temporary evaluations will be made to see if the granted preferences will be maintained.

Chile: Treaty Safeguarding Investments in Cuba Approved

PY2404025196 Santiago EL MERCURIO in Spanish 20 Apr 96 p C2

[FBIS Translated Excerpt] Valparaiso — The Chamber of Deputies Foreign Affairs Commission has unanimously approved the agreement on the promotion and mutual protection of investments reached by Chile and Cuba. Chilean businessmen have described the document as very favorable.

Reports released by the Foreign Investments Committee state that Chile has thus far invested $31.3 million in Cuba, mainly in hotels and the shoe and citrus industries.

The agreement was signed on 10 January 1996, during the official visit Foreign Minister Jose Miguel Insulza made to Cuba.

National Renewal Party [RN] Deputy Teodoro Ribera, who is a member of the above-mentioned commission, stressed the importance of this agreement because it is the first "that truly seeks to promote, and safeguard Chilean investments abroad."

Moreover, one of the special features of this agreement is that it provides for the possibility of resorting to international arbitration courts, without exhausting local mechanisms, in case of conflict in either of the two countries. Given the political and economic situation prevailing in Cuba, this alternative grants more security to Chilean investors. [passage omitted]

Colombia

Colombia: Attacks in Santander, Guaviare Leave 6 Dead

PA2304201896 Mexico City NOTIMEX in Spanish 1751 GMT 23 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 23 Apr (NOTIMEX) — Military sources report that at least six people died in guerrilla attacks in Santander and Guaviare Departments today.

The first incident occurred when National Liberation Army (ELN) rebels intercepted a bus and shot four of its passengers on the Bucaramanga highway. Government security officers seized arms and ELN political propaganda in this area. This organization last week threatened to torch any vehicles moving along the network of Harea highways.

The second incident occurred when Revolutionary Armed Forces of Colombia (FARC) members detonated a land mine on the outskirts of Miraflores, killing two children. The Colombian Armed Forces reported that the mine exploded as the children (ages four and five) were walking near the site. Area authorities have discovered in the past few hours about 50 antipersonnel mines that the rebels had intended to detonate as military personnel passed through the area.

The ELN and the FARC, with some 12,000 combatants, do not anticipate any talks with President Ernesto Samper's government, arguing that he lacks the moral stature to open peace talks. Samper faces a congressional investigation into charges that he used drug trafficking money in the 1994 election campaign. These new attacks are taking place less than a day after ELN urban commandos dynamited three police posts in Santa Fe de Bogota, leaving damage but no casualties.

Colombia: Paramilitary Group Said Cause of Antioquia Attack

PA2404022696 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 23 Apr 96

["National" newscast; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 24 April]

[FBIS Translated Text] A new massacre occurred in Antioquia and claimed 14 dead and 14 injured. A paramilitary group was reportedly responsible for the attack in Segovia, Antioquia Department, last night. Five hooded men used firearms and grenades to attack the El Paraiso, La Paz, and (Villaflai) pool halls.

Eight of the 14 dead were identified as Pedro Antonio Posada, Nicolas Alberto Alvarez, Cesar Dario Valle, Leon Dario Correa, Fabian Alonso Loaiza, Octavio de Jesus Castrillon, Alexander Loaiza, and Carlos Arturo Zapata. Another 14 people were wounded by arms fire and grenade shrapnel. The authors of the massacre traveled in a white Toyota. The authorities have not captured any suspects yet.

This new massacre in Segovia has been repudiated by all sectors of the country that have demanded punishment for the culprits:

[Begin recording] [Priest John Jaime Tobon of Caldas] We are in a country where things are not only stolen, where we are robbed but where we also lose our lives.

[Luis Cabrera, justice and peace delegate from Ipiales] We reject the Colombian state's attitude, negligence, ineptitude, and inability to present practical, feasible, and definitive alternatives.

[Interior Minister Horacio Serpa] It is regrettable that the situation has worsened again. I have no doubt, however, the authorities will do all they can to find the authors of this massacre to ensure they are punished in an exemplary manner. [end recording]

Colombia: ELN Kills 2 Soldiers; Venezuelans Burn Ranch

PA2304233096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 23 on April]

[FBIS Translated Text] The situation at the border is beginning to brew again with incidents on both sides. The ELN [Army of National Liberation] has killed two Venezuelan soldiers and members of the

Venezuelan Guard burned the ranch of a family in Norte de Santander.

Last Wednesday the Venezuelan Guard left a Colombian family without a [word indistinct]. The priest of La Gabarra, in Tibu, reported the incident.

[Begin Father Jose Belen recording] People have told me that the operation lasted 20 minutes. Four helicopters and two light aircraft overflew the area. Two aircraft landed after bombing the kitchen, and then burned the entire house. They waited until the fire had completely consumed the house before leaving, and that was it. [end recording]

Father Belen recalled that in early March the [Venezuelan] Guard forced 27 Colombian families to abandon their homes. Today, those families have become refugees who are demanding aid from the Colombian Government.

Meanwhile, the government is trying to find an answer to Venezuela's protest over the death of two Venezuelan soldiers in a guerrilla ambush during the past weekend.

Colombia: ELN Group Denies Promoting New Armed Strike

PA2304215196 Santa Fe de Bogota EL TIEMPO in Spanish 21 Apr 96

[Received via Internet]

[FBIS Translated Text] The Army of National Liberation's Camilista Union, UC-ELN, has issued a communique denying reports that this guerrilla organization was promoting another armed strike in Antioquia Department.

The ELN members attributed these reports to the "rumor theory," which, according to them, has been prevailing in Colombia since the beginning of the political crisis, which the country is going through.

They also said a "sociological war" has been brewing in Colombia with the purpose of creating extended alarm that could lead to coup d'etat-type situations.

The UC-ELN said that when the central command decides to carry out these actions, it informs through communiques the day, time, and reasons for the actions.

The armed strike in Antioquia should have begun last Thursday. According to some reports, it would last until today. The ELN also said they have it clear "that war is not a game" and that they do not intend to create an extended chaos because this would create a situation that could only serve the interests of the extreme right wing groups.

They said their intention is not to "destroy the country," but to convene what they called a national unity convention to seek national agreements that could put an end to the current crisis. All of the country's social sectors, "without exclusion," would participate in that convention, for which they staged the armed strike of Easter Monday.

The UC-ELN said the meeting would take place in the Colombian Eastern Mountain Range and that prior to it, regional meetings would have to be held to choose the delegates to the convention.

Colombia: Authorities Arrest 8 Guerrillas in Cartagena

PA2204025996 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 19 Apr 96

[Report by Esmeralda Rojas; from the "Latest News" newscast]

[FBIS Translated Text] Cartagena — Naval police battalion members have arrested eight members of an urban cell of the Army of National Liberation at the transportation terminal. The authorities report that the guerrillas planned to kidnap two cattlemen who participated in the [word indistinct] fair that begins in this city today. Authorities seized war materiel — including weapons and explosives — and camping equipment during the operation. The regional prosecutor's office is holding those who were arrested and the materiel that was seized pending further investigation.

Colombia: Court Issues Warrant for Liberal Party Senator

PA2404012596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 23 Apr 96

[Report by Reynel Melendez; from the "Latest News" newscast]

[FBIS Translated Text] The Supreme Court has just issued an arrest warrant for Liberal Party Senator Armando Holguin Sarria, who is accused of illegal enrichment. He is to be held under preventive arrest without bail.

According to the information provided to the Supreme Court by the Prosecutor General's Office, Senator Holguin Sarria has received lodging at the Inter-Continental Hotel in Cali, and the bill was paid by the firm (Inversiones ARA), which is considered one of the front companies of the Cali cartel. In addition, the Valle del Cauca Department senator has received a check for 1 million pesos that was supposedly drawn in his favor by Distribuidora La Loma, which is also linked to alleged Cali cartel activities.

The information states that the check was drawn on 18 March 1994 from checking account No. 8060-024863-9 of the Banco de Colombia branch in Cali. The check was used to pay alleged front men and politicians, such as Eduardo Mestre Sarmiento and brothers Julian and Tulio Murcillo. The account was closed on 9 August 1994, and more than 800 million pesos were handled through this account only five months after the check was drawn, according to the information in the hands of the Supreme Court, which is filing charges against Senator Armando Holguin Sarria.

In the accounting records of former Cali cartel bookkeeper Guillermo Pallomari, authorities have found a check for 2 million pesos drawn in favor of Senator Armando Holguin Sarria that was not dated so he could cash it through the bank teller.

According to the questioning of the former bookkeeper of the Cali cartel, Guillermo Pallomari, which is in the hands of the Supreme Court, brothers Miguel and Gilberto Rodriguez Orejuela gave a house to Holguin Sarria in the neighborhood of La Riverita in southern Cali.

Colombia: Serpa Testifies in Case 8000 for 3d Time

PA2304214796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 23 April 96]

[FBIS Translated Text] [Anchorwoman Maria Beatriz Echandia] This morning, Interior Minister Horacio Serpa appeared before the Prosecutor General's Office to testify for the third and last time. Reporter Fernando Ramos is at the Prosecutor General's Office. Good afternoon Fernando, go ahead:

[Ramos] Good afternoon, Maria Beatriz. Minister Serpa arrived here at approximately 0815 to conclude his questioning, the last of the three ministers. This marks the beginning of the final race in what will be the ultimate decision of the Prosecutor General's Office on the juridical situation of Ministers Serpa, Turbay, and Pardo, as part of the so-called case 8000.

It should also be pointed out it has been a very busy day at the Regional Prosecutor's Office. Gilberto Rodriguez Orejuela and Manuel Francisco Becerra, also known as Quico Becerra, are expanding their depositions.

This morning, Serpa arrived at the Prosecutor's Office and spoke in hard terms about faceless justice. Let us hear the minister's statements.

[Begin recording] [Ramos] Interior Minister Horacio Serpa harshly criticized faceless justice and the way in which it is being applied in our country. He had initially questioned faceless justice in his deposition before the Accusations Committee. Today, he reaffirmed said accusations prior to entering the Prosecutor's Office to testify.

[Serpa] I have questioned some judicial procedures not now, but when the debates in Congress began. I have established my clear stand in this regard. [end recording]

Serpa's lawyer said he hopes the legal proceedings can be finished today. He announced the delivery of fresh evidence to the Prosecutor's Office to refute the charges from Santiago Medina and Fernando Botero.

[Begin Jaime Bernal Cuellar recording] Any conclusion will be premature, until we confront Serpa's version with the evidence in the file. [end recording]

Once the judicial business with Serpa concludes, the Prosecutor General's Office will determine the legal status of the three ministers charged with complicity and illegal enrichment in favor of third parties. Nevertheless, this station found that, althoughFhe three ministers are part of a single process, the Prosecutor General's Office will make a separate decision in each instance.

The reporters are waiting for Serpa to come out, but this station learned that the questioning will continue until at least 1600 because the idea is to finish the judicial procedure today.

Colombia: Prosecutor General Comments on Case 8000

PA2104021996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 20 Apr 96

[Report by Marta Elizabeth Camargo; from the "Midday Newscast"]

[FBIS Translated Text] Exactly one year since the scandal of the so-called Case 8,000 began, President Ernesto Samper Pizano and Prosecutor General Alfonso Valdivieso happened to be at the Modern Gymnasium today, 20 April. One year ago, warrants were issued against Miguel and Gilberto Orejuela, the Murcillo brothers, former Senator Mestre Sarmiento, and reporter Alberto Giraldo in what later became know as Case 8000.

Here with the prosecutor general's comments on this investigation that has lasted 12 months is reporter Marta Elizabeth Camargo.

[Marta Elizabeth Camargo] Prosecutor General Alfonso Valdivieso has just stated that so-called Case 8000 is one year old and that everyone who should be included in the case is not yet included. It is a very complex case that cannot be said to have ended, and it cannot be said that the decisions reached so far by the Prosecutor General's Office are the last decision that will be taken. Valdivieso has made these remarks on the current situation and on what was the most difficult moment for the Prosecutor General's Office in the last 12 months:

[Begin recording] [Valdivieso] Without a doubt, this case is not over yet. Initially, there were many investigations of the same issue, and one cannot affirm that some decisions still have to be made. Some decisions are still pending but will be determined during the investigation.

[Camargo] Case 8000 has become a case whose total responsibility has fallen squarely upon the shoulder's of the prosecutor general. Have you ever thought of resigning during the past year because of the all the difficulties regarding the case?

[Valdivieso] No, I have not thought of resigning. There have certainly been some very difficult situations. As is well known, there have been circumstances, such as the passing in Congress of the so-called narco-rider, that have been very difficult for the Prosecutor General's Office, because these developments were, frankly, an abuse of Colombian society regarding the work being carried out by the Prosecutor General's Office and the administration of justice. That moment was a very critical one, because we were not a part of a mockery, but we have always been very clear regarding the prosecutor general's responsibility and role. I have always acted honestly and decisively enough to believe this case cannot be suspended. As far as I am concerned, I will continue carrying out my responsibilities. [end recording]

[Camargo] Moreover, Prosecutor General Alfonso Valdivieso has said the friction, as he has termed it, that has arisen between the Prosecutor General's Office and other organizations, such as the Attorney General's Office, regarding Case 8000 has caused some difficulties in certain regards, but he has said there is still enough time for the Prosecutor General's Office, the Attorney General's Office, and other institutions involved in this case to join efforts and work for the country's well-being.

Colombia: Poll Shows 'Radical Changes' for Military Urged

PA2004044896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Apr 96

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] In yesterday's opinion poll conducted by Emisoras Caracol Network, 73 percent of 2,000 people interviewed said they were in favor of radical changes [revolcon] within the Colombian Armed Forces; only 27 percent said the contrary.

Why were people in favor of radical changes? Because they want more incentives for soldiers and all the members of the institution in general, 43 percent; because they favor giving the military forces more autonomy, 25 percent; because they demand better treatment to soldiers from their superiors and from the community, 17 percent; because it is urgent and necessary to improve the equipment and facilities, 15 percent.

Meanwhile, 71 percent do not believe radical changes are necessary and remember the days of the Gaviria administration; 14 percent believe we should accept foreign aid no matter where it comes from, as long as it will serve a good purpose, as the governor of Antioquia said; and 15 percent believes a dialogue with the armed rebels is the only path that will lead us to stable peace in Colombia, and that military confrontation will not solve our problems.

Colombia: Groups View Economy, Warn of Recession

PA2004022696 Medellin EL COLOMBIANO in Spanish 16 Apr 96 p 4B

[Report by Francisco Javier Arias]

[FBIS Translated Text] The heated debate on high interest rates continues. While the government and bankers have blamed the Bank of the Republic [Banrepublica] for keeping the monetary pressure, the members of the bank's Board of Directors replied that their constitutional duty is to control the increase in inflation rates and that, if pressure wanes, this year's 17 percent goal will be surpassed.

The private sector is caught between these two sides. Tradesmen and industrialists from all sectors no longer see only a clear economic slowdown; they have warned about the first symptoms of a recession.

The Banrepublica's board members and certain observers have explained that as long as there is a political crisis, interest rates will remain high because of the economic uncertainty the crisis triggers. The reason stems from the fact that monetary authorities keep restrictions on means of payment and banking portfolios, which trigger high credit costs, to prevent capital flight and a likely and sudden devaluation.

Under these conditions, interest rates are unlikely to drop substantially as long as there is a political crisis. Thus, we could say that, in principle, we are doomed to face high interest rates and the consequences they elicit, such as the slowdown business polls have shown and the likely recession that will ensue if these conditions prevail.

Recession?

Bogota Stock Market President Carlos Caballero Argaez insisted that interest rates will remain high all year long, adversely affecting not only investments in production, but also the stock market, given the alternatives in the financial market. In this regard, ANIF [National Association of Financial Institutions] has warned about the fact that interest rates would hardly drop below 40 percent.

Now, the Bogota Stock Exchange, in its usual weekly statements, calls attention to the thin line between the evident slowdown and a potential recession and wonders how many months more are needed for economic authorities to react to the feared recession.

Caballero recalled that practically all analysts and the government itself have again forecast a drop in the early estimates on the GDP growth for 1996.

ANIF and Fedesarrollo [Foundation for Higher Education and Development], which agreed on an estimate of a 3.8 percent growth rate for the GDP as long as the political crisis were quickly resolved and the United States would certify us, now foresee a less optimistic scenario.

Meanwhile, the Banking Association believes that an economic growth rate above 3.5 percent is very unlikely, while National Planning is reconsidering its goal of a 4.9 percent growth rate, which was forecast two months ago, and will set it at 4 percent.

"The truth is that the economic deterioration has become so evident, there is a concern about how long the slowdown will continue and when we will start experiencing a recession."

Because of certain indicators emanating from the responses to business surveys, the Bogota Stock Exchange said that "the economic slowdown symptoms are becoming more evident by the day and that, in this regard, there are not many elements about which to be optimistic."

Vicious Circle

Caballero pointed out that it is clear that high interest rates are threatening a better economic performance, because they discourage businesses' investment plans. He added, however, that the complex and uncertain political situation and the pressure it exerts on the exchange market, the new increase in inflation rates (the 17 percent goal is in doubt again), and the country's complicated fiscal situation have triggered a scenario in which, paradoxically, there are high interest rates while there is a strong slowdown in the credit demand.

"The problem is not easy to resolve, because a higher liquidity resulting from loose monetary policies implemented under conditions of foreign exchange uncertainty, huge public spending, and high inflation rates would trigger capital flight. If it is excessive, it would lead to a devaluation that would harm the foreign exchange band's ceiling in such a manner that Banrepublica would end up regulating what it had deregulated. This would exert an additional pressure on interest rates."

In other words, there is a vicious circle in which a speedy devaluation would trigger an inflationary pressure that would not allow a reduction in interest rates. Under these conditions, the Bogota Stock Market again advocated looser monetary policies, but insisted that, in order to do so, the government must make a previous commitment to not only reduce spending, but also reorganize it.

"It is necessary to stress the basis of the economic policies on which the government and the Banrepublica Board of Directors agreed. We must not wait until the signs of recession stop being mere signs; we must thus avoid the need of having to go to the extreme of taking emergency measures."

Colombia: Weekly Views Impact of Rebel Offensive

PA2304041796 Santa Fe de Bogota SEMANA in Spanish 16-23 Apr 96 pp 24-28

[FBIS Translated Text] Monday and Tuesday of last week, the close to 2 million residents of Rionegro, El Retiro, Carmen de Viboral, La Ceja, Guarne, Santuario, Sonson, Marinilla, and other towns located to the east of Antioquia Department had to resign themselves to remain in their homes for fear of reprisals by the guerrilla fronts that operate in the zone. Through a series of anonymous communications, the guerrilla leaders threatened the region's residents that if they disobeyed the strike order issued Sunday night they will be targeted for serious attacks on their businesses and families.

For 48 hours commerce and industry of this rich zone came to a complete standstill on account of the expressed order by the guerrilla commanders. *"All of us had to stay at home. Who was going to dare open his store so the bandits could set it on fire?"* a Rionegro merchant told SEMANA. Despite the obedience by the frightened civilian population that had no other recourse than to comply with the order, guerrillas in this region killed one police non-commissioned officer, burned eight vehicles near the Jose Maria Cordova Airport, broke telephone communications of 12 towns, and put out of service the relay stations of the Empresas Departamentales de Antioquia. What was most surprising about this was that all these actions were carried out a few kilometers from Medellin, the department's capital and one of cities most strongly protected by the Armed Forces.

The situation in Antioquia's eastern region, however, was merely a reflection of what happened all over the country in the wake of the armed strike headed by the ELN [Army of National Liberation]. The toll was pretty distressing: 24 civilians, 15 servicemen, and seven guerrillas killed; 20 civilians and 19 servicemen wounded; 32 vehicles burned; 10 persons kidnapped; two energy towers, two pipelines, and one gas pipeline blown up, and five guerrilla roadblocks set up.

In a country like Colombia, hardened by so many terrorist actions by the guerrilla and witness to so many civic strikes throughout its history, the most worrisome thing was not the toll of the armed strike so much as its significance in the midst of the political crisis the country is experiencing. Although from the standpoint of the military and social mobilization last week's escalation revealed a growing weakening by the guerrilla compared to what the peasant strikes of 1988 and 1989, for instance, entailed, the same cannot be said in the political terrain. With the tactic of simultaneous terrorist acts in several departments of the country, last week's strike — primarily promoted by the ELN faction headed by priest Manuel Perez — created the impression territorial control on the part of the guerrilla that had not been seen in many years. Worse than the apparent show of strength, however, was the fact that with a strike called under the pretext of protesting a government under question it performed the miracle of regaining in just a few days the political justification guerrilla groups had lost since the fall of the Berlin Wall and the end of communism. As a political expert told SEMANA *"guerrillas no longer need to follow instructions from Moscow to espouse political causes. All they need now is to cite the U.S. Department of State remarks."*

Government Silence

Beyond the guerrilla's capacity to come back to live, another surprising aspect of this offensive was the government's little capacity to react to the facts. Whereas in previous occasions, the executive in office then responded strongly and immediately to guerrilla actions, the government's senior officials were conspicuous for their absence during the strike. *"The government's military and verbal response to the guerrilla offensive was regrettable,"* a political analyst to SEMANA.

The first government official to broach the subject was Defense Minister Juan Carlos Esguerra, but his remarks did not fare well. Referring to the guerrilla actions, he merely said that *"the guerrillas' fundamental purpose of bringing the country to a standstill failed. As a strike it did not succeed, not even remotely."* Although the facts prove the guerrilla strike did not reach the scope the subversives were expecting, if one considers the situation that the residents of eastern Antioquia experienced, just to cite an example, there are no sufficient reasons to claim victory.

Hours later it was the turn of Admiral Holdan Delgado, commander general of the Military Forces, and he did not fare any better. Referring to the guerrillas' actions, and trying to dismiss the subversive actions, the ranking officer naively asked: *"Why didn't they destroy more highways, why didn't they destroy all the bridges, why didn't they really stop traffic all over the country?*

In view of the reporters' harassment outside the Congress, Minister Horacio Serpa simply condemned the developments, and for the umpteenth time noted that in Colombia there is no territory to which the armed forces do not have access. According to a former Conservative minister, the interior minister's statements 24 hours after the guerrilla strike, *"gave the impression Serpa is more worried about how to defend himself before the court than in the public order break down."*

For a large segment of the population, however, the most significant fact is that President Ernesto Samper himself remained silent about such a public order alternation.

A Matter of Money?

The ill-advised government response was certainly topped by the poor military response. After watching on television newscasts the guerrillas walking along the country's highways killing civilians, burning vehicles, and intimidating the population, the citizens wondered, where are the troops?

It is true that due to the nature of these actions, most of which involved small commando units that carried out surprise attacks, it was impossible to show up wherever the guerrillas attacked, but it is also true that the Army got a beating over the weekend. The pretext that high military leaders have given for years to explain their defensive stand and a lack of success in the counterguerrilla struggle is a lack of resources to face subversion adequately. This argument, which is partially justified, has been reinforced in the past months due to budget cuts that the government had to make in order to tackle the fiscal deficit.

Some claim that more than a lack of money, the Army lacks determination. According to a military expert consulted by SEMANA, *"the Armed Forces' passive stance has all the signs of being intentional. They know the growing impression that the civilian government does not work strengthens them and turns them into a decisive factor in the future although this does not necessarily mean that they are thinking about a military solution to the crisis."*

Lack of determination, however, is not linked to long-term strategies only. This has much to do with the impression among the men in uniform that wars are not defined in times of crisis such as the one facing the country, and no weak government can promote peace policies. The military expert added: *"This is why there is neither peace nor peace at present. Only a tactical suspension [suspenso] during which each party is building up its arsenal and charging batteries for what is in store after the crisis."*

A retired Army officer told SEMANA that this is *"a matter of mood"* for the troops. He added: *"To win a war 30 percent of equipment and 70 percent of determination is required."* And perhaps the former officer is right. There is no reason why the Armed Forces would be spared by a political crisis such as the one facing the country, which brought President Samper, his ministers, the political class, the labor unions, the church, Attorney General's Office, Prosecutor General's Office, Comptroller General's Office, and various courts into a whirlwind, although they cannot openly voice their position, which according to some, was summarized by General Manuel Jose Bonet, director of the Superior War College, he noted: *"We are the nation's Army, not the regime's."*

The somber public order situation the country experienced last week was further darkened by the Constitutional Court's ruling suspending, due to insufficient grounds, most special regulations the government issued to fight kidnappings. In a country with more than 1,500 kidnapped and only hours after the kidnapping of former President Cesar Gaviria's brother, it is almost incredible the government has failed to find sufficient legal grounds to demonstrate the need to adopt extreme measures to prevent more kidnappings.

If we add to these developments the fact that last week's strike was organized by only part of the ELN, the situation becomes even more worrisome. An expert told SEMANA: *"The silence of the FARC [Revolutionary Armed Forces of Colombia] is suspicious, and it is very possible they are planning a way to test the government and to take advantage of the crisis. If only part of the ELN was capable of holding half the country hostage, we better not think what all guerrilla groups could achieve together."*

Colombia: Report Profiles Border Problems, Tension

PA2004155296 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 19 April 96; passages within quotation marks are recorded]

[FBIS Translated Text] [Anchorwoman Maria Beatriz Echandia] In recent years, tension at the Venezuelan border has increased. Just between 1995 and the period elapsed in 1996, 18 incidents have been reported. Added to this are the economic consequences given the tight measures implemented by the Caldera Government. As a result of all this, the Colombian-Venezuelan border is news. There, is our coworker Yolanda Ruiz. Yolanda, good afternoon.

[Ruiz] Good afternoon, Maria Beatriz. Today we greet you from the most active border of Colombia, and also of Latin America. This is one of the corners of our country. This is where Colombia begins and there, only 100 meters away, Venezuela begins. This border consists of more than 2,500 km of territory that join us, in many common things, but which also summarize a good part of the problems our country has. Here we find guerrillas, drug trafficking, contraband, human rights violations; these are many problems requiring urgent attention. That is why today, in this special broadcast, we invited Foreign Minister Rodrigo Pardo to accompany us and see this report prepared by the "National Newscast."

Good afternoon, Mr. Foreign Minister.

[Pardo] Good afternoon.

[Ruiz] Thank you for being with us. We want to invite you to accompany us on this trip we made, from Arauca to La Guajira. First, let us present a global vision of the border zone.

[Reporter Yolanda Gomez] Scenes such as this [video shows people crossing river, carrying boxes and bags on their backs] go by the everyday lives of 7 million people who reside along the 2,219 km of the Colombian-Venezuelan border, the longest border of Colombia with any other neighboring country. This is a border covering six departments; the most active border of Latin America.

Although it is not very well demarcated, Venezuelans and Colombians living there do not care about border markings or border lines.

[Tibu official Mario Burgos] "The problem is not really that they cross a border line that does not even exist. The problem has to do with unemployment here in the Catatumbo region. The government has absolutely forgotten about us."

[Gomez] That is why the border is fertile grounds for the guerrillas, contraband, drug trafficking, kidnapping, and common crime. Last year, the Colombian guerrillas killed eight Venezuelan marines and abducted the mayor of Guasdualito. Under the pretext of chasing the guerrillas last year, Venezuelan authorities evicted 200 Colombian families from the Perija Mountain Range. They entered Tibu and harassed Colombian fishermen and boats.

The situation has become so critical that the governor of Cesar Department has threatened to present this problem before international organizations.

[Cesar Department Governor Mauricio Pimiento] "I have prepared a report that I will file before the Inter-American Human Rights Commission, which seeks to force Venezuela to compensate those affected."

[Gomez] Complaints like the one Pimiento reported have been processed without much success at the Colombian-Venezuelan Border Affairs Commission, a dialogue mechanism between the two countries, which has been more effective in issues such as economic integration and binational trade. However, everyone knows that the best remedy for border tension is a more effective action from both states in the areas of health, roads, education, and employment. All else is rhetoric.

[Ruiz] Well, we continue to report on our visit to the border. The lives of many Colombians in this place are connected to the coming and going to the other side, like they say here. We are going to introduce to you the latest resident of Colombia in this sector of the country. His name is Dario; good afternoon and thank you for being with us.

[Dario] Thank you.

[Ruiz] You were telling us you are not from Cucuta. Where are you from?

[Dario] I come from the Atlantic Coast region.

[Ruiz] This is an area with a large number of immigrants. Well, what are you selling at this vending booth?

[Dario] I sell lemonade, bananas, bread, cigarettes.

[Ruiz] Who do you do most of you business with, Colombians or Venezuelans?

[Dario] I sell mostly to Colombians.

[Ruiz] Do Venezuelas stop to shop here?

[Dario] They also stop here sometimes to buy.

[Ruiz] Thank you, Dario. Like Dario, there are many Colombians who depend on trade with either Colombians or Venezuelans. At the time of selling, there is no distinction.

With regard to the economic measures the Caldera Government adopted this week, we tried to find out how much has this affected street vendors of bolivares. Here is the report:

[Reporter Manuel Neira] They are the bolivares peddlers; men who place themselves on the international road joining Colombia and Venezuela, who make a living from the informal market of the sale and purchase of foreign currency. Three days after the Venezuelan Government established new economic measures, for them, nearly 2,500 people who live off of this business on the border, the situation is critical.

[Money peddler Justo Pastor] "For the simple reason that they said the Venezuelan currency had been devalued. But this is a lie, the bolivar quotation is actually on the rise."

[Money peddler Jesus Suarez] "Today we buy at 240 bolivares and sell at 245 bolivares, and people don't want to pay five more points. They want the bolivar to devalue."

Paradoxically, the economic measures the Government of Rafael Caldera has adopted has affected Colombians residing in the border area more than those residing in the neighboring country.

[Ruiz] Often when we talk about the border, we think of Cucuta, Maicao, or Arauca. But there are many villages, municipalities, small towns that are also located on the border, which the country does not know about. They only become news at the time there is a border incident. This is the case of the Perija Mountain Range, of which much has been said recently. The "National Newscast" visited this area and confirmed that, in addition to the incidents with the Venezuelan National Guard [GN], peasants have serious problems due to the spraying of glyphosate, which destroy their crops.

[Reporter Luz Marina Giraldo] Camouflaged by the fog more than by their own trenches, Colombian soldiers stand guard at the border. The Perija Mountain Range has mountains on both sides and fog many times prevents one from seeing which is the Colombian and which is the Venezuelan side. But what is clear is the memory of what happened here.

[Lenin Mueques, resident of Perija] "They [Venezuelan police] came to my farm on 9 October, destroying everything I had there. They killed the cattle, mules, goats, pigs. They cut the arms, legs, and head off of poor Julio Paternina, in addition to raping him."

[Giraldo] That day, along with Lenin, another 28 peasant families abandoned the area. They don't want to know anything about the border.

[Inravision technician Fabian Soto] "They bombed the area and people were forced to leave."

[Giraldo] But the tragedy of the mountain range does not end in fear for border problems. Since two months ago, peasants are seeing their crops die because of the war against the poppy fields.

[Peasant Pedro Rodriguez] "There is too much fumigation here. A crop of passion fruit I had here has died, together with crops of tomatoes and onions. The onions that are springing up become dry.

[Peasant Hernan Ortiz] "The planes spraying glyphosate fly at low altitude and the wind carries the glyphosate into our fields. The leaves of the plantain trees dry up, tomatoes go bad."

[Giraldo] Next to the burned crops are the abandoned homes and affected children.

Manaure is the only town located 35 km from the border. It is a small municipality with about 6,000 people, where the problems generated by the evictions from the border and mountain range area are being experienced. In just two months, two shantytowns were erected in this town. Here, there are 140 families without housing, who sued the state for 800 million pesos because the glyphosate destroyed their lands, but it did not destroy their dream to be able to return someday to the Perija Mountain Range.

[Echandia] To live on the border is to live without options. The residents of Tibu live amid fear for the Venezuelan GN and the lack of guarantees. Yolanda, let us continue with the visit to the Colombian border.

[Ruiz] That is correct, Maria Beatriz. Before presenting the report on Tibu, I must say that for border people on both sides of the border, it is common to find the markings delimiting both countries. Here, under a bridge, we found a border marking. This border marking is very rundown, and it is curiously located approximately 100 meters away from the officially recognized border.

These border markings are sometimes swallowed by the jungle and people don't know clearly where one country ends and another begins. Yolanda Gomez visited one of those markings lost in the jungle of the Colombian-Venezuelan border, in the area of Tibu, Vetas de Oriente Corregimiento, where one of the latest incidents with the GN took place.

[Gomez] "On which side is Venezuela?

[Daniel Isaza Arias, Vetas de Oriente Corregimiento police magistrate] "On our right side."

[Gomez] Be it on our right or left side, the location of Venezuela is what matters less. Here, in Vetas de Oriente Corregimiento, Catatumbo region, for peasants the problem is not the border; it is poverty. For generations, they have seen Venezuelans come and go, while their crops are lost due to lack of roads.

[Joaquin David Blanco, peasant from the region] "We have no means to get our produce to the markets. If we send it to Venezuela, they say it is Colombian and it is contraband. And if we send it to Tibu, by the time it gets there it is already bad."

[Gomez] In order to arrive in Vetas de Oriente, where Venezuelans violated Colombian sovereignty last 28 December, the way is long and difficult.

Here, in the middle of the Catatumbo jungle, at this point is one of the border markings between Colombia and Venezuela. It is located four hours from the urban area of Tibu Municipality.

Fishermen from this area are not doing any better. Here, in Tres Bocas Corregimiento, facing a border well-demarcated by Venezuela, these Colombians survive depending on the mood of the Venezuelan GN.

[Unidentified Colombian fisherman] "I trespassed into Venezuela and was picked up by the GN."

[Gomez] "What do Venezuelan guardsmen say when you ask them for permission to cross into Venezuela?"

[Second unidentified Colombian fisherman] "Come in, I have not seen you."

[Gomez] In spite of everything, in the urban area of Tibu life seems normal. But the buses arriving from the border trails remind people that the guerrillas are also here. That is why, while solutions arrive, people look for comfort.

[Ruiz] We now establish direct contact with Foreign Minister Rodrigo Pardo, who is kind enough to accompany us in this special program. Mr. Foreign Minister, we are here at the border and we want to ask you, after looking at this worrying and complicated overview, why has the Colombian-Venezuelan border been abandoned?

[Pardo] Yolanda, the fact of the matter is that there is no such abandonment. What happens is that this is a border of over 2,000 km long. As you have presented in your reports, there are different problems in different parts of the border. But we have been working with Venezuela to try to find solutions to the different problems that appear in different areas.

We must take into consideration that between Colombia and Venezuela, which are two countries that are joined for all time, we have many issues to discuss. We have the responsibility to preserve effective mechanisms to deal with the different problems, and we must maintain a good relationship at all levels. But we may perhaps look at some of the corrective measures and solutions we have tried to find, together with Venezuelans, to the different problems of the border region.

[Ruiz] Mr. Foreign Minister, here at the border people have high expectations about an announced visit made by yourself and your Venezuelan colleague. This visit has been postponed time and time again. Why has it been postponed and when will you come to commit yourselves to resolving the problems people have here?

[Pardo] Indeed, this is a proposal we made to Venezuela because we understand that there are problems, because we want a better understanding of Venezuela on the border reality. The Venezuelan Government has accepted to make this visit, but given agenda problems, we have been unable to agree on a date. This date will, in any case, be announced and the visit will be made.

There is perhaps one very important point I would like to make. With regard to bilateral issues, whether border or other issues — but let us talk about the border, which is the highlight of today's newscast — there are different perceptions in Colombia and Venezuela about this issue. If you ask a person in Colombia what is the problem at the border, he would say something completely different from what a Venezuelan would say. That is why we proposed the Government of Venezuela to conduct a joint inspection, because what is very difficult is to try to resolve problems when Colombians and Venezuelans have different views on the matter. In Venezuela, for instance, there is a great deal of concern over the actions of Colombian guerrillas, there is concern over the destruction of forests, there is concern over their reports of presence of Colombian drug traffickers in Venezuela. Colombians are concerned over the entry of the Venezuelan GN, on some occasions, into Colombia, we are concerned over human rights violations, and the problems you mentioned. That is why a solution of the problems must come from reaching an accord, first, on what we must resolve.

[Ruiz] Well, we are running short of time. We would like you to accompany us for a few more minutes. Let us go to commercials and we will be right back from the border within short.

[Echandia] We continue our visit to the Venezuelan border. Yolanda, where are we going now?

[Ruiz] Well, Maria Beatriz, I invite you to come with us to the northern region. Let us go to Maicao. Traditionally, this is a region where contraband has flourished, as normally occurs in border regions. From here, people are on alert because the lack of state presence in this region not only allows contraband, but also creates the fertile ground for the emergence of paramilitary groups.

[Reporter Juan Esteban Sampedro] This place is known as La Raya, Paraguacho, and it is another point dividing Colombia and Venezuela. The contraband merchandise enters the country through this point. This gives a pretext to Venezuelan authorities to constantly enter national territory. This territory is delimited by this C monument, which stands for Colombia. This entry post is just guarded by three DAS [Administrative Department of Security] officials and four officials from the National Customs and Tax Directorate [DIAN].

[DIAN coordinator Eufemia de Pineda] "We are surrounded by different trails, which allow the entry of contraband. We are totally unprotected because there is no armed corps at the border."

[Sampedro] That lack of Colombian authority makes things easier for the Venezuelan GN.

[Salesman Julian Hernandez] "One night the Venezuelan police, taking advantage of the fact the Colombian Army and National Police were not here, chased a car into the country."

[Sampedro] In their attempt, the Venezuelan police drove 4 km into national territory until reaching Paraguachon. A few days later this story reached Riohacha.

[Riohacha Councilman Miguel Cuadros] "The chief of police of Riohacha, a colonel, told us he did not send police to this area because they had become corrupt due to the influx of merchandise entering this part of the border."

[Sampedro] After a big effort, the community built this military base, where Army troops have begun to arrive. People expect that the Army presence will end, once and for all, the harassment of the Venezuelan GN and that the creation of self-defense groups will not be necessary.

[Maicao Mayor Carlos Garcia] "They insist on the fact that if police do not increase their strength here in Maicao, if we don't get more policemen, they would be willing to establish self-defense groups to protect themselves from every threat looming over our municipality.

[Sampedro] "Does this represent the presence of paramilitary groups in Maicao?"

[Garcia] "I believe so."

[Sampedro] This idea is gaining strength each day because Guajira Department residents are tired of living in a border that has been forgotten for more than 40 years.

[Ruiz] To conclude our visit to the Colombian-Venezuelan border, we want to go to Arauca. There, we found the two sides of the coin. We found the things that unite people from both countries who share problems and dreams, but also share the pain for bloody incidents, like the massacre of Colombians in El Amparo. We conclude our special newscast from the border with this report.

[Reporter Anna Fernanda Valderrama] On 21 June 1988, Volmer Pinilla and a friend barely escaped death. They were going to make a chicken soup on the banks of the Arauca River, on the Venezuelan border.

[Pinilla, survivor of El Amparo massacre] "We heard the shooting. I said, what is happening? My friend told me we were being fired upon. I put my hand over my face and my friend told me to dive into the river."

[Valderrama] Only Pinilla and his friend escaped the bullets of the PTJ [Judicial Technical Police] and Disip [Directorate of Intelligence and Prevention Services], two Venezuelan security agencies. The other 14 men were killed.

The newspapers reported that those killed in El Amparo were ELN [Army of National Liberation] guerrillas, but this was not true. Eight years later, border incidents continue to occur but, luckily, what is common in this area is not death.

According to the residents of this region, there is no problem in the daily transportation of groceries from Venezuela to Colombia through Arauca River. Life between El Amparo, Venezuela, and Arauca depends on the river. Many groceries are cheaper on the other side, but the GN are there.

[Unidentified Colombian businessman] "One must be careful when one is on the other side, because you know how they are.

[Leonidas Delgado, resident of El Amparo] "You know what happens. I want you, Colombians, to know. I tell you this, as a Venezuelan. What happens is that hunger knows no nationality."

[Valderrama] Fun knows no nationality either.

[Arturo Pinzon, musician of El Amparo] "I want to tell the world Colombia and Venezuela are joined by music. [sings part of folk song]"

Colombia: Air Force Commander on Modernization Plan

PA2004124896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 19 Apr 96

[Report by Carlos Gomez Herrera; from the "Midday Newscast"]

[FBIS Translated Text] According to General Hector Gil Nieto, commander of the Colombian Air Force, the modernization and recovery plan of the Colombian Air Force will cost $22.5 million. Gen. Gil Nieto pointed out that this recovery plan will also include fighter-bombers, such as the Kfir and the Mirage. However, he has not ruled that the Air Force might purchase new planes from the United States.

[Begin Gil Nieto recording] Actually, this is how much it will cost to repair some planes that have been taken out of operation through the years because of the lack of resources to finance the training of pilots. Thus, we have asked the national government for an assistance of $22.5 million in order to restore a total of 46 planes, which are not currently operating. [end recording]

Gen. Hector Gil Nieto added that most of this modernization plan could be carried out here, in Colombian territory, considering that the Air Force technicians have already done the needed studies and analyses as a result of the training they have received from Israeli and U.S. specialists on airplane repairs.

Ecuador

Ecuador: Support Conveyed to Paraguayan President

PY2304190696 Madrid EFE in Spanish 1817 GMT 23 Apr 96

[FBIS Translated Text] The Ecuadoran Foreign Ministry today expressed support for Paraguayan Constitutional President Juan Carlos Wasmosy, considering the difficult situation in his country due to actions by rebellious General Lino Cesar Oviedo.

Acting Foreign Minister Marcelo Fernandez de Cordova told EFE that he had expressed the Ecuadoran people's support to Paraguay through Paraguayan Ambassador to Quito Antonio Salum.

Fernandez de Cordova said: "Ecuador supports democracy and rejects this type of actions," adding that these actions by Gen. Oviedo are "out of place and represent a step backward."

Diplomatic sources who did not want to be identified, told EFE that Ecuadoran President Sixto Duran-Ballen will phone his Paraguayan counterpart today to express his support.

Ecuador: Talks Held With Peru on Weapons Purchases

PY2304114396 Quito Voz de Los Andes in Spanish 2300 GMT 22 Apr 96

[FBIS Translated Excerpt] Ecuador and Peru today began two days of secret meetings in Quito to define the necessary mechanisms that would allow transparency in weapons purchases.

The closed-door meeting, which began today at 1500 GMT at the headquarters of the National Security Council in Quito, is headed by Ecuadoran General Telmo Sandoval and Peruvian General Arturo Fernandez. The meeting will establish the agenda for future meetings of the bilateral group created on 23 February 1996 through an agreement reached by Ecuadoran Foreign Minister Galo Leoro and his Peruvian counterpart, Francisco Tudela. [passage omitted]

Ecuadoran Defense Minister Alfonso Alarcon said today that today's meeting in Quito by the Ecuadoran-Peruvian commission will help in the transparency of weapons purchases by the two countries. Alarcon added that the meeting will really help in the transparency of purchases of weapons and equipment by the two countries, with the goal of creating the necessary environment of security which should prevail between the two countries. [passage omitted]

Ecuador: Progress Noted in Meeting With Peru on Weapons

PY2304185896 Madrid EFE in Spanish 1717 GMT 23 Apr 96

[FBIS Translated Text] Quito, 23 Apr (EFE) — Sources close to the negotiations have said the Ecuadoran-Peruvian commission on weapons that today concludes in Quito its first meeting has fulfilled its objectives within a framework of cordiality.

"Progress was made on everything that had to be made, the expected goal has been fulfilled," the sources told EFE in relation to the commission's meeting which started yesterday.

The sources added that the meeting of the six military men and two diplomats of Ecuador and Peru featured "nothing different from what was on the agenda."

This announcement discarded the possibility that the commission could have discussed the Ecuadoran charge about the alleged Peruvian purchase of 44 fighters or the scandal over the Ecuadoran purchase of weapons from Argentina.

"The meeting was very, very cordial all the time, it was a friendly meeting" said the sources who also indicated that the delegation chiefs will "speak briefly" with the media after the meeting.

If this happens, it would be the first time members of the delegations, specially the Peruvian delegation, talk with the media because the meetings have been secret.

Ecuador and Peru are negotiating a peace agreement with the endorsement of the guarantor countries (Argentina, Brazil, Chile, and the United States) of the 1995 peace treaty. The guarantors are keeping a military group at the Amazon border region of the two countries since March 1995 to see that the peace agreement is fulfilled.

Ecuador: Military Talks With Peru End; Accord Issued

PY2404025696 Quito Voz de Los Andes in Spanish 2300 GMT 23 Apr 96

[FBIS Translated Text] Ecuador and Peru today achieved the so-called Quito Agreement, in which they established the extent, agenda and work procedures that will be the framework for conducting future military meetings they will hold to establish a mechanism that will allow a complete openness in the acquisition of weapons.

The agreement, which the two parties describe as confidential, was achieved after a two-day meeting held in Quito by working groups comprised of Ecuadoran and Peruvian military delegations.

Ecuadoran Army General Telmo Sandoval and Peruvian Army General Arturo Fernandez presided over the sessions, which were held behind closed doors. The meetings were also attended by two other high-ranking military commanders and one diplomatic representative from each country.

Although the content of the Quito Agreement has not been disclosed, at the end of the meetings the two generals stated that these were held in a true atmosphere of friendship and with a clear understanding of the objectives.

The group's ultimate objective is to design a mechanism for the promotion of trust that will allow an openness in the acquisition of weapons and the strengthening of an atmosphere of safety and stability between Ecuador and Peru.

Regarding the content of the Quito Agreement, Gen. Sandoval reasserted that it will not be disclosed before it is submitted for the consideration of the foreign ministers and military commanders of the two countries.

Moreover, Ecuadoran Foreign Minister Marcelo Fernandez de Cordova [title as heard] expressed his hope that the meeting of the Ecuadoran-Peruvian commission which ended today in Quito will mark the start of a process that will lead to the establishment of a mechanism that will allow complete openness in the purchase of weapons.

He said: The issue of weapons is a very important and sensitive one. We hope that this meeting will mark the start of a process that will lead to the establishment of a mechanism that will promote trust between our two countries.

According to the foreign minister [as heard], the meeting of the Arms Commission has helped to establish the proper framework to conduct basic Peruvian-Ecuadoran negotiations on their longstanding territorial dispute.

Fernandez de Cordova added that the establishment of a mechanism for the exchange of information on the purchase of weapons strives to determine that these purchases "do not entail offensive materiel that will pose a threat to security."

Ecuador: Budget Reductions Detailed

96SM0231A Quito HOY in Spanish 10 Apr 96

[Unattributed article: "Government Resolves Budget Deficit" — received via Internet]

[FBIS Translated Text] Finance Minister Ivan Andrade will try to reduce the budget deficit by about 800 billion sucres, 39 percent of the total potential deficit recognized by the current government.

The next administration would then have to face a budget deficit of about 500 billion sucres, equal to one percent of gross domestic product [GDP], which would increase the planned indebtedness of the next government by an equal amount.

Andrade said that the economic authorities have already begun to make cuts in investment and ordinary spending, and to seek new sources of revenue.

Less Investment and Spending

The budgets of the Ministries of Public Works, Urban Development and Housing, Petroecuador [Ecuadoran State Petroleum Enterprise] and INECEL [Ecuadoran Electrification Institute] will be reduced by 300 billion sucres, while ordinary spending will be cut by 500 billion.

The decision has already been communicated to those institutions, which will have to formulate a program of reductions and set spending priorities.

While it is true that the 1996 budget was calculated on the basis of a dollar at 2,896 sucres, this amount has been allocated to spending which was also effected in dollars. Therefore, according to Andrade, there is a balancing of the two accounts.

Taxes: A Source of Revenue

Minister Andrade defends the possibility of increasing the VAT [value-added tax] from 10 to 15 percent. This is a fair tax, said Andrade, as the components of the basic family shopping basket are not taxed, and "the least fortunate will not be affected."

He believes that the adjustments to the Technical Tax Reforms Law, which will be sent by the Executive to Congress to be discussed in plenum on an urgent basis, should include an increase in the VAT. This has not been ruled out, but neither has it been decided to include it.

A Cultural Problem

Although there has been a real improvement in tax collections —they have increased by 30-35 percent, compared with an inflation rate of 20-23 percent — tax collection is a "cultural" problem.

Businessmen reacted negatively to the possibility of an increase in the VAT. They believe that a higher tax will cause more evasion. However, according to Andrade, their position is irresponsible and self-serving: "The country needs a culture of paying taxes." And an increase in the VAT should be followed by a reform that would reduce tax evasion. The Undersecretariat of Income is already working on that.

The law will establish more controls and tougher penalties in the collection of taxes, said Andrade. The economic authorities will study the document until the end of the week, and will send it to the legislature next Friday or Monday.

According to Andrade, the country should plan over the medium term: Continue with the structural reforms, restructure the government to reduce ordinary expenses (from 400,000 to 200,000 government employees), and promote an economic stability program.

The Earthquake of 28 March: 20 Billion

This potential deficit will not increase because of the disaster of Pujili. It has been estimated that 20 billion sucres are needed. The decree that allocates a day's wages from government employees in April to pay for the emergency will bring in some 10 billion sucres. The other 50 percent will be supplied by the government, said Andrade, and will mean further spending.

He ruled out that the Supreme Electoral Tribunal [TSE] might allocate 15 billion sucres of its budget to those affected by the earthquake in Cotopaxi. Their attitude showed that the TSE had no great need of the funds it had received. It now has 29 billion sucres in its account.

Ecuador: Noboa on Political Reform, Jobs

96SM0231B Quito HOY in Spanish 10 Apr 96

[Report: "Noboa: Riding Against the Minority" — received via Internet]

[FBIS Translated Text] Ricardo Noboa wants to rescue the country from what he calls "the minority that has hijacked Ecuador." And he has every intention of stopping the "abuse" that this minority (unions, financial circles and political groups) perpetrates.

Noboa, who is campaigning for the presidency under the emblem of "Alliance for Change," (Independents - Liberals - FRA [Alfarist Radical Front]) spoke for three hours yesterday with journalists from HOY about his program of government. The candidate, accompanied by his running mate, Francisco Huerta, believes that Ecuador has two other serious problems: corruption of justice and political instability.

Noboa promises to resolve these three problems through broad political reform. For example, he says that the National Congress should not remove ministers from office. That deputies should be elected personally and not by means of lists put together by unknown individuals. And that electoral campaigns should be regulated to control spending. He believes that Supreme Court judges should be appointed by "civil society."

All of this will be possible through broad cooperation [concertacion], he says, with a democratic consensus. Noboa is ready for a dialogue with all sectors to achieve the enactment of this reform, except for the Social Christians and the Roldosists.

The candidate acknowledged that he feared Jaime Nebot (PSC [Social Christian Party]) or Abdala Bucaram (PRE [Ecuadoran Roldosist Party]) might take power. "Ecuador's fate would be disastrous" with either one, Noboa said. This is why he is determined that neither one will win the election.

The 800,000 New Jobs

Poverty is the economic problem that most concerns Noboa. His actions in the Presidency would be dedicated to combating poverty, defined by the fact that five percent of Ecuadorians enjoy a life style markedly superior to the other 95 percent.

To improve the economy, Noboa plans to create 800,000 new jobs. How? The candidate speaks of promoting annual economic growth, which is currently at 2 percent. He promises that the economy will grow by 7.5 percent until the year 2000. He plans to increase petroleum production and to reactivate the agricultural sector.

With regard to the budget deficit, Noboa is not in favor of raising the VAT [value-added tax] nor the price of fuel. He proposes increasing revenue by attracting foreign capital to invest in petroleum, mining, tourism, and agriculture.

He would also improve the tax collection system, although he will lower the income tax. The goal is to reduce inflation to 15 percent per year, which he believes can be done.

Ricardo Noboa believes that economic and social development go hand-in-hand. He proposes decentralizing and depoliticizing education (primary education would receive more attention than the university), and would formulate long-term health policies. As for the energy crisis, Noboa proposes construction of the Mazar generating plant, but with private sector support.

Noboa says that these proposals are not demagogic, but that they represent a firm commitment, and can be accomplished. And that he will have the support of broad sectors of society to carry them out.

HOY Journalists Give Their Views

"Ricardo Noboa is very able, he is a very good polemicist; but I do not trust him because of his alliance with Fabio Alarcon. He used the same justification to sign the pact with Alarcon that he used to leave the Social Christians, and that lessens his credibility." (Juan Carlos Calderon)

"Noboa has answers for everything and seems able to keep his promises. It bothers me that he is of the center right." (Cristina Raad)

"Noboa is undoubtedly the figure on the right who has the best-articulated and the most coherent program for the country. It is a pity that this articulate quality and coherence remind one so much of Dahik." (Martin Pillares)

"I do not understand how Noboa can be comfortable with Francisco Huerta. Noboa projects the image of a professional politician, while Huerta projects the image of someone "overcome" by political activity." (Marcia Cevallos)

[Box]

Ricardo Noboa Among Paradoxes and Figures; by Benjamin Ortiz Brennan

The presidential candidacy of Ricardo Noboa Bejarano is being constructed between paradoxes and precise figures.

Noboa, a figure linked to political and economic elites, wants to be president in order to fight poverty and "the elites that control the country," which seems a paradox.

The figures are useful to him to provide an image of modernity and administrative ability. He approaches each subject equipped with figures that he handles expertly.

The paradoxes become less surprising when he aims his artillery first against government unionism, "which represents seven percent of the labor force and consumes 70 percent of the budget." He also speaks of the financial, political, and sports elites, which he describes as exclusive circles of privilege; but he is less hard on these groups than he is with union officials.

The mathematics of GDP [gross domestic product] growth, at the rate of one percent a year, from 2.5 to 7 percent in his future government, cause the miracle of the creation of 800,000 new jobs. Each point equals 250,000 new jobs. Growth will cause an expansion of petroleum exploitation, a change from being a country of farmers to an agricultural country, by giving land titles to 500,000 peasants, among other changes.

When comparing candidacies with similar programs — especially Nebot — Noboa claims that the histories of the aspirants and their current companions make a difference. For that purpose, he raises to epic levels his opposition to the alliance between Social Christians and Roldosists in the previous Congress, which caused him to leave the PSC.

The explanation for his current contamination with tainted politicians, with whom he presented himself as independent and pure, is not very convincing. However, it leaves a lasting impression that he is a candidate who knows what he wants.

[Box]

The Burden of the Past; by Diego Cornejo Menacho

Ricardo Noboa Bejarano is a candidate who has an arsenal of convincing answers for everything, except for his past. Perhaps, one might say, because what is done is done.

During his presentation with HOY, the backbone of his argument was the differentiation — open or concealed — from the Social Christian candidacy of Jaime Nebot. It is inevitable that, listening to him reply to the most difficult questions with skill and sagacity, standing on his platform of government and relying on the Liberal, Francisco Huerta Montalvo, his candidate to be vice president of the republic, we cannot get out of our heads the fact that the candidate was a minister in the government of Leon Febres Cordero, characterized among other qualities by his authoritarianism and what Noboa calls "bad friendships."

For him, how to solve the serious problems of the country or of the future government is not so important as the question of with whom to do it; this was a recurring theme during his presentation.

It is undeniable that Noboa has made a great effort to create a candidacy of the center — he speaks of mutual renunciations by himself, his running mate, and the head of the list of national deputies, Fabian Alarcon. It is just that this crowded "center" is teeming with at least five candidacies that are stepping on each other's hoses, like those nutty firemen in the cartoons.

Noboa is also the other ego of Freddy Ehlers regarding government unionism, in my opinion. One of his principal goals is to revise union contracts in that sector.

And, while his program in general is acceptable, when it comes to economic matters, such as the budget deficit that the next government will inherit, he was vague as to how he will solve it if he becomes president. He rejects the idea of doing it by raising taxes on gasoline or services, such as electricity.

Since when did he rid himself of his Social Christian past? That is the question.

Ecuador: HOY Calls Official Tax Figures 'Absurd'

96SM0231C Quito HOY in Spanish 10 Apr 96

[Unattributed report: "Taxes Compared With GDP" — received via Internet]

[FBIS Translated Text] The tax burden in Ecuador is greater than governments have admitted, reproaching people for their scanty contributions to the support of the government apparatus, when in fact the figures are not as low as has been stated.

A study by the Center for Studies and Analysis [CEA] concludes that it is absurd to claim that the burden of taxes in 1993 was only 6.1 percent of gross domestic product [GDP], when in reality it was more than 17 percent, and this figure was even higher in some years, such as 1985.

The same study shows that the major sources of tax revenues are fuel (3.74 percent of GDP), followed by the VAT [value-added tax] (3.47 percent) and by Social Security (2.93 percent). Recently in fourth and fifth places are customs charges and the income tax.

Most of Ecuador's tax structure, therefore, is based on indirect taxes. This means that contributions to the state do not depend on the economic capacity of the taxpayer, but are imposed without regard to progressiveness, according to which those who have more pay more.

To make fuel taxes the major source of revenue is to reduce the economy's efficiency and competitiveness. Energy is artificially made more expensive because it is easier to collect an indirect tax than to overcome the resistance and influence of those who should pay the income tax but do not.

In any event, the percentage of taxes in relation to the GDP and the composition of taxes make clear that the tax burden should be reorganized, but that it is probably not possible to enact dramatic increases. First, it will be necessary to shrink a state that has become unwieldy due to its size and weight.

Ecuador: Independent Velazquez Profiled

96SM0231D Quito HOY in Spanish 8 Apr 96

[Unattributed report: "Velazquez: The Last Shall Be First" — received via Internet]

[FBIS Translated Excerpt] Jacinto Velazquez, the independent presidential candidate, is in last place in preference polling, according to surveys, but he is not worried.

In a discussion with journalists from HOY last Wednesday [3 April], Velazquez said that his presence in the electoral contest "is already a great victory," because it opens the road for independents who will participate in the future.

He does not feel frustrated at the prospect of his imminent defeat in the elections. He will have the satisfaction of having concerned himself with the country's problems and of having proposed specific solutions.

Velazquez said that half the voters had not yet made up their minds, and that he expects to gain from those votes and make it to the runoff election.

Velazquez is from Guayaquil, 56 years old, is number 20 (Independent Transforming Alliance) on the ballot, and has experience in public life. He was a deputy for the Social Christian Party [PSC] and one of the authors of the "reengineering" of Sixto Duran-Ballen as a cofounder of the Party of Republican Unity [PUR].

Velazquez denies that he is partly responsible for the current political crisis. During his presentation he took pains to point out that he withdrew his support for Duran-Ballen when Alberto Dahik entered the scene. "It was good that I withdrew in time from Duran-Ballen's party, because they would have blamed me for what is happening now," he said.

Velazquez admitted that he was active in the Ecuadoran right and said he had always opposed Marxism. He believes the best political ideology to be that of the PSC, based on the social doctrine of the Catholic church. He said that the support h receives from evangelical sources is spontaneous, that he is thankful for it, but that he continues to be a Catholic and to respect other religions.

The Only Independent

Throughout his presentation, Velazquez claimed for his group the title of "the only authentically independent movement" in the campaign.

However, he is not against parties. He believes the term "party-ocracy" to be wrong, since parties as such have never governed. Those who make the decisions are the exclusive elite minorities, and that must change.

The parties are in crisis, not in decline, he says, and the political parties must once again offer Ecuadorians specific solutions.

On the economy, Velazquez confessed to being a proponent of vigorous state intervention. He compared the current neoliberal model, which permits the laws of the market to regulate the economy, to "an absent-minded traffic cop who does not know what is going on." Velazquez would exercise rigorous state control, attract foreign investment, and provide clear rules for the private sector. He believes it is essential to encourage production.

He thinks the role of technicians is secondary, since what is really important is the capacity for vision of those who govern.

Velazquez says that Ecuador needs what his group possesses: "honest people who have a vision for governing." However, at the end of the discussion, Velazquez gave way a bit in his triumphalism and accepted the possibility of defeat. He also accepted the possibility that he is not the best candidate in the contest. If he loses, "and if a heart attack or cancer do not intervene," he will continue in politics — in an inactive way — and in music, his two grand passions.

HOY's Journalists Give Their Views

"His intentions are good, but he does not differentiate himself from the other candidates: He is a "know-it-all" like the rest of them." (Alejandro Ribadeneira)

"You can see he handles politics well, but his economic ideas are not realistic. He wants to return to an antiquated model that nowadays is discredited." (Eva Valencia)

"He is a good politician, with good ideas and a solid platform, but he is a politician going against the tide. That is why he has no following." (Marco Jurado)

"His ideas are very clear and he speaks well. However, I believe he should withdraw from the campaign because he knows he is going to lose." (Cristina Raad) [passage omitted]

Ecuador: TSE Chair on Election Preparations

96SM0231E Quito HOY in Spanish 8 Apr 96

[Interview with Carlos Pardo Montiel, president of the Supreme Electoral Tribunal, by correspondent Ana Angulo Benavides; place and date not given: "Elections: The Countdown" — received via Internet]

[FBIS Translated Excerpt] Activity is increasing in the Supreme Electoral Tribunal [TSE], as only 40 days remain before the elections on May 19.

The President of the TSE, Carlos Pardo Montiel, listed all the steps the Tribunal will take in the weeks prior to the elections and called on Ecuadorians to take part in the electoral contest.

The most difficult problem that members of the TSE have had to face is that related to qualifying the "avalanche" of candidates of independent movements. Pardo says that the TSE has faced this challenge and overcome it.

[Angulo] Is the TSE putting the final touches on the election process?

[Pardo] We have begun the control phase of printing the ballots and all the electoral material that will be distributed to the 21 provincial tribunals.

[Angulo] Are the tribunal personnel ready for the elections?

[Pardo] We are training the members and secretaries in the juridical standards of the Election Law and its reforms, so that after the elections, they can carry out the process of scrutiny and adjudication for the various offices. On 12 and 19 April we will conduct simultaneous seminars in Ibarra, Cuenca, and Machala, where all of the personnel from the financial side will also be trained.

[Angulo] When will the electoral registers be published?

[Pardo] From the end of April until a week before the elections. We are reviewing proposals from the country's various newspapers.

[Angulo] Have the logistical problems surrounding the Civil Register been resolved?

[Pardo] Not entirely. We asked the Civil Register to turn over to us by 20 April diskettes containing the names of all citizens registered by that date, in order to compare them with the TSE's electoral register. Names that were collected at the information tables will be added to that list.

[Angulo] Is it up to the TSE or the army to determine voting places?

[Pardo] It is the exclusive responsibility of the provincial tribunals to decide where the voters will cast their ballots. The tribunals inform the armed forces, which then know where to carry out their duties.

[Angulo] With the setback in the purchase of the satellite system, what is the TSE's budget for completing the election process?

[Pardo] Our budget has been reduced to 100 billion sucres; the ten billion the satellite system would have cost, plus another five billion (a total of 15 billion sucres), will go to the victims of the earthquake in Cotopaxi and Tungurahua.

[Angulo] Has the company that will publicize the elections been contracted?

[Pardo] As soon as we sign the contract with the firm MSES Co., Ltd., winner of the bid process held by the Tribunal, the publicity for the elections will begin.

[Angulo] How many names on average does an electoral ballot contain?

[Pardo] There is one ballot that has 31; but we do not have an average ballot, because the number of names can vary in the same province or within a canton, according to the number of registered candidates.

[Angulo] Has the inclusion of the independent movements been difficult?

[Pardo] In effect. Before, it was easy to order ballots because only the names of candidates from political parties were printed. Now, we also have to print the names of the movements; but we have faced that challenge and overcome it.

[Angulo] Is the standard still in force that requires parties to obtain a certain percentage of votes in order not to disappear?

[Pardo] The Law of Political Parties establishes that, in order to continue to exist, parties must obtain in each election for multiple offices at least four percent of the valid votes. The parties that reach that percentage continue to be recognized. The others are not.

[Angulo] Does that standard also apply to the independents?

[Pardo] No, they can continue to exist as independent bodies, or not. It is up to their own members to decide. In this situation, there is no way to apply the standard for political parties. [passage omitted]

Ecuador: Pichincha Candidates Viewed

96SM0231F Quito HOY in Spanish 8 Apr 96

[Unattributed article: "New Faces Running for the Prefecture" — received via Internet]

[FBIS Translated Text] The programs of the candidates for the prefecture of Pichincha revolve around the new role of that body in the development of the province. They all have something in common: except for Marcelo Dotti, they have not participated in active politics and are promoting themselves as "new men."

They all agree that Pichincha needs a council that administers, that regulates, that plans, that attracts foreign capital. The candidates are looking abroad to come up with projects.

In addition, they all want to promote tourism, and to do that their proposals range from improving road signs to building cable car systems.

The province must be developed, and therefore they want to encourage production. Bringing products to market requires roads, which all of the candidates support.

The great coastal highway that goes from Aloag to Santo Domingo is one of the subjects that most excites the candidates. Proposals on this subject vary: from a monumental superhighway to minor repairs.

Electric power also concerns them, and they have a number of proposals.

According to analysts, most people in the province still do not know the candidates. The businessman, Patricio Eguez, from the DP [Popular Democracy Party], has had an important role as a businessman: he is president of Ch'Farina, one of the city's most important pizzeria chains.

Guillermo Landazuri of the ID [Democratic Left] is an economist, and his public activities have been related to the exercise of his profession.

Representing the APRE [Ecuadoran Revolutionary Popular Action Party] is Washington Aguayo, a private businessman who has been employed in campaigns for the Liberals and the FRA [Alfarist Radical Front] in the past.

Marcelo Dotti, an independent under Social Christian auspices, is a political figure with experience. Perhaps this is the greatest difference between him and the other candidates. He was active for years in Popular Democracy [DP] and was an advisor to Rodrigo Paz and Jamil Mahuad, until he left the DP because of disagreements.

Rafael Reyes of the FRA says that his experience as a businessman and farmer is his strong point. He was a city councilman in Quito and a provincial councilor during the prefecture of Fabian Alarcon.

The surprise of the campaign is singer-songwriter Danilo Mino Naranjo, who is the candidate of the PRE [Ecuadoran Roldosist Party]. He says he is running because of his desire to serve the people.

No to the "War of Posters"

Guillermo Landazuri believes that the motto of sectional government should be "honest men who are able to serve." His platform is based on honesty in office.

The candidate favors strengthening the culture of solidarity and making use of it for the construction of projects.

Regarding the controversial Aloag-Santo Domingo highway, Landazuri believes that the proposal to build a superhighway is demagogic.

He says that the road should be improved and widened. He thinks that building and improving alternate roads, like that of San Miguel de los Bancos-Vallehermoso, will reduce traffic on the coastal road.

Landazuri says that international bodies could finance some projects.

If Guillermo Landazuri wins the election, the Council will become a dynamic force that will plan and finance projects, and not just carry them out.

He intends to decentralize the Council with the installation of local offices in the cantons. He proposes placing one of those offices, with expanded powers, in Santo Domingo de los Colorados. He believes that the canton should become a province over the medium term.

He is a supporter of cooperation with the municipality of Quito and of avoiding fights over projects.

Landazuri says that his posters will be road signs rather than propaganda for the prefect.

A Swiss Superhighway

Washington Aguayo, the APRE candidate, wants to promote foreign trade. His program is aimed at increasing production and exports in Pichincha province.

Therefore, he proposes the creation of a Peruvian Institute for Foreign Trade, with support from a bank. Although he knows that foreign trade must be promoted by policies of the state, he says that something must be done in any event.

Aguayo plans to build a system of silos and collection centers to help farmers and to guarantee the production and marketing of their products. To accomplish this, he also wants to encourage advanced degrees in foreign trade in universities. He believes in a provincial council that will be a development enterprise. He will protect the areas in the northwest and the sugar cane growers. He wants to build an enormous superhighway between Quito and Santo Domingo with bridges and tunnels, like in Switzerland. He wants to sell people on the idea that they are an "agency of production." He is also a supporter of self-management.

To Panecillo by Cable Car

Marcelo Dotti is in a special situation. Although he says he is an independent, his application for registration in the Provincial Electoral Tribunal is signed by the provincial director of the Social Christian Party.

However, Dotti — who is leading in the polls — swears he is not a Social Christian, but a Socialist. And that if Nebot dos not deliver what he has promised (funds for Pichincha), he will become Nebot's foremost opponent.

Dotti wants to encourage agriculture and promote protection of the environment. He wants to attract international support for ecological conservation projects, and build local roads with the help of the people.

Dotti says he will build roads and bridges in the province to bring down the costs of transportation, so that food products will be cheaper.

He will bring in artisans from other countries because he believes that our handicrafts sector lacks technology. He will build grand promenades for exhibitions of handicrafts that will be visited by thousands of tourists.

Then, to continue the encouragement of tourism, he will establish in Quito's skies cable car lines that will tie together the hills that surround the city. Toctiuco-Panecillo? That still does not describe it. Dotti says that it is not possible to build a modern highway — much less a superhighway — along the old Aloag-Santo Domingo road. Instead, he says he wants to build a new highway on the other side of the mountain to connect Tandapi with Aloag.

Electricity Is the Priority

In the platform of Patricio Eguez, candidate of Popular Democracy, the Toachi-Pilaton project has priority.

In Eguez' opinion, it is possible for Pichincha to generate its own electrical energy.

For the road system, Eguez proposes the construction of alternate roads in the northwest portion of Pichincha province, and the widening and straightening of the Aloag-Santo Domingo highway.

Eguez emphasizes plans for housing, and the building of systems of basic services in rural areas and the periphery of Quito. He believes it to be positive that Federico Perez was able to reduce personnel in the provincial bureaucracy.

He will promote football pools and other initiatives of the ex-prefect. He will also encourage sports; but, in addition to providing fields, he will also hire sports instructors for young people.

A "Vina del Mar" in Quito

The surprise of the campaign for prefect of Pichincha is the singer-songwriter Danilo Mino Naranjo. The popular singer has entered the campaign for the prefecture with the support of the PRE, because of his ties to Santiago Bucaram. Mino believes in service to the people and hopes to reach the prefecture with a new style: by drawing closer to settlers in the country and in the cities.

Mino believes that it is now up to him to organize a "civic conscription," promising small things that are easy to accomplish. He says he does not want to build great highways or picturesque cable car lines.

In fact, his program is rather modest.

Regarding the road system, Mino says that the 23 million sucres of tolls produced by the Aloag-Santo Domingo highway are enough to maintain the highway. Then, he plans to obtain private investments to improve the highway with "a minimum investment of $70 million."

Mino wants to repair existing highways, especially in the northwest.

The candidate says he will support the building of the Toachi-Pilaton project. He says he will spend only 15 percent of the council's budget on ordinary expenses, and will invest 77 percent in capital spending.

He will be a champion of the Ecuadoran artist, and intends to organize an international song festival in Quito. "I do not want to star in it or make any money."

Paraguay

Paraguay: Bolivian, Argentine, OAS Leaders To Visit

PY2304152396 Madrid EFE in Spanish 1426 GMT 23 Apr 96

[FBIS Translated Excerpt] Washington, 23 Apr (EFE) — Bolivian President Gonzalo Sanchez de Lozada and OAS Secretary General Cesar Gaviria today departed for Asuncion to support Paraguayan head of state Juan Carlos Wasmosy. [passage omitted]

It was officially reported in Buenos Aires today that Argentine Foreign Minister Guido Di Tella will travel to Paraguay at 1600 [1900 GMT] to support Paraguay President Juan Carlos Wasmosy.

Government sources said Uruguayan Foreign Ministry officials will probably travel with Di Tella.

Paraguay: Oviedo Participates at Army Corps Celebrations

PY2304154096 Lambare Paraguay Radio Cardinal in Spanish 1448 GMT 23 Apr 96

[Relay by reporter Oscar Cuevas with station anchorman Mina Feliciangeli from First Army Corps Headquarters — live]

[FBIS Translated Text] [Feliciangeli] Here is a report from our colleagues posted at the First Army Corps. Oscar, we are listening to you:

[Begin relay] [Cuevas] When General Zaracho [First Army Corps commander] refers to General Lino Cesar Oviedo in his address, he calls him Army commander.

[Feliciangeli] That is very important. That is key information. Who else made a speech, only Zaracho?

[Cuevas] Only General Santiago Zaracho. As for today's activities, Engineer Juan Carlos Wasmosy — president of the Republic and commander in chief of the Armed Forces — was supposed to have arrived at 1000 at the First Army Corps headquarters. Of course, he did not arrive. The next scheduled activity was the rendering of military honors and the singing of the national anthem. Right now, General Lino Cesar Oviedo is awarding the Cavalry Medal to some top First Army Corps officers.

Later there will be an equestrian exhibition, the dedication of some works, a mass at the San Jorge church, and lastly, a luncheon at the First Army Corps. General Santiago Zaracho, commander of the First Army Corp, is scheduled to deliver a message at 1230 over television on Paraguayan equestrian day. [end relay]

Paraguay: OAS Cesar Gaviria Holds News Conference

PY2304192396 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 23 Apr 96

[News conference by OAS Secretary General Cesar Gaviria with unidentified national and foreign reporters at Government House — live]

[FBIS Translated Text] [Begin recording] [Gaviria, in progress] ...support of the international community and countries in the Americas to find a solution to any internal problem he might have. A few minutes ago we met with the entire diplomatic corps headed by the Apostolic Nuncio. The instructions received by all diplomats was the same: Full support for President Juan Carlos Wasmosy. No solution to the crisis can be made at the expense of an interruption of the institutional regime or a refusal to recognize President Juan Carlos

Wasmosy's authority. We trust his capacity and ability to overcome this situation. He has the support of the international community and we trust a solution will be found within the framework of institutional, peaceful, and ordered mechanisms, as the immense majority of the Paraguayan people wish and as all Americas peoples wish.

[Reporter] Do you have a warning about any coup attempt?

[Gaviria] We trust President Wasmosy will find a solution to the crisis within the country's tradition and within the framework of the Paraguayan people's desire to find a peaceful solution. No one wants bloodshed. No one wants to endanger Paraguayan institutions. We hope people with exaggerated attitudes will calm down when they see there is great support for President Wasmosy. A calm solution to this situation of instability and crisis that has afflicted the country will be found.

[Reporter] What will happen if we get to the point of a military uprising.

[Gaviria] What one you are mentioning is possible here. But in no way President Wasmosy will stop being the president of this country. For the community of nations the Paraguayan president, until he fulfills his mandate, will continue to be President Wasmosy. We might have military incidents or the like but nothing will change the fact that the president of Paraguay, for all countries in the international community, is and will continue to be Wasmosy.

[Reporter] Did you discuss with the president the attitude of General Oscar Delmas, who was supposed to replace Gen. Oviedo? According to reports, Delmas is unwilling to accept the position.

[Gaviria] That problem must be overcome by President Wasmosy. He, in his wisdom, within his prerogatives will know how to overcome this situation. We trust he will find a good solution to that situation.

[Reporter] When you say the OAS will use all possible means to defend Paraguayan democracy, do you also mean an armed support?

[Gaviria] I will mention three examples of how the OAS applied Resolution 1080. It was applied in Guatemala to defend the constitutional government of that country; it was applied in the case of Peru to help that country return to democracy; and it was applied in the case of Haiti so as to enable the return of President Jean-Bertrand Aristide to his country as constitutional president. These are the three cases on record. This is a different case and we will have to think of solutions appropriate for Paraguay, but those three cases over the past six years show how solid is the will in American countries to defend constitutional presidents.

[Reporter] Is there a deadline set?

[Gaviria] We do not have a deadline, but a solid commitment by all countries in the Americas not to permit any country to be deviated from its constitutional system. There is a clear will...

[Reporter] [Question indistinct]

[Gaviria] There might be opposition to constitutional regimes, but the entire international community will continue to accept Wasmosy as the constitutional president. No matter what may happen and no matter the difficulties or the hurdles in the way, no matter the difficulties the president might find in his path to fully exercise his public functions, he will continue being the president. All countries will fight to keep Wasmosy in the presidency and to preserve the constitutional regime in Paraguay.

[Reporter] What will you do next?

[Gaviria] I will stay in Paraguay a few hours. I strongly believe President Wasmosy will overcome the situation and end his mandate with the cooperation of the entire Paraguayan people and the help of all his political forces, and of course, with the help of the international community.

[Reporter] How would you define the situation in this Latin American country after speaking with President Wasmosy.

[Gaviria] There is a tense situation, a difficult situation. I see the president is in command, seeking solutions to the situation. I strongly believe the president will be successful with his intelligence, his ability, and the clear recognition of his mandate and his authority.

[Reporter] What is your advise to the Paraguayan people?

[Gaviria] To strongly support President Wasmosy.

Paraguay: Army Generals Said To Punch Journalists

PY2304170196 Asuncion Radio Nanduti in Spanish 1617 GMT 23 Apr 96

[Relay by unidentified reporters with anchor Pepa Kostianovsky from First Army Corps — live]

[FBIS Translated Excerpt] [Kostianovsky] here is a report from the First Army Corps:

[Reporter] Pepa, I am running toward our mobile unit. A battle was unleashed here inside the First

Army Corps by those who support Lino Oviedo and Blas Riquelme. They beat up Cacho and Omar. Some military officers are involved in these acts of violence that were unleashed about five minutes ago.

I am running to the mobile unit to fetch my colleagues. [passage omitted]

[Kostianovsky] Cacho?

[Reporter] Something very unpleasant happened here. All the journalists accuse [Colorado Party leader] Julio Cesar Vasconcellos of having started this battle. [passage omitted]

[Reporter] We saw some military officers punching people.

[Report] Yes, but not just any old military men, these are generals. A general punched a woman colleague but, unfortunately, we were unable to identify him.

[Reporter] But Julio Cesar Vasconcellos unleashed the violence.

[Reporter] Julio Cesar Vasconcellos started it all but he was immediately joined by high ranking officers, among them generals. [passage omitted]

Paraguay: Oviedo Says He Will Become Defense Minister

PY2304174296 Asuncion Radio Nanduti in Spanish 1716 GMT 23 Apr 96

[Relay by Omar Ovelar with anchorman Leo Rubin from First Army Corps — live]

[FBIS Translated Text] [Rubin] Excuse me, I have a special report by Omar Ovelar.

[Ovelar] Leo, although nobody believed it, the information Cacho disclosed was correct.

Let us here what Lino Cesar Oviedo said here at the First Army Corps church:

[Oviedo] At 1700 today, Engineer Juan Carlos Wasmosy, president of the Republic and commander in chief of the Armed Forces and my great friend, will be at the Army headquarters in the town of Mariano Roque Alonso, to swear in Division General Oscar Diaz Delmas as commander in chief of the Army. I would like to invite you to the Lopez Palace at 1100 tomorrow where I will take the oath of office as defense minister of his cabinet.

[Ovelar] We have just heard what Lino Cesar Oviedo said.

Paraguay: Oviedo Makes Announcement on Becoming Minister

PY2304183496 Asuncion Radio Nanduti in Spanish 1743 GMT 23 Apr 96

[Relay by unidentified reporter and station anchor — live]

[FBIS Translated Text] Flabian, if you have the recording we would like to hear it for the record.

[Flabian] Right, here is the announcement by Division General Lino Cesar Oviedo, commander in chief of the Paraguayan Army, about one ceremony at 1700 [2100] today at the Army headquarters, and another at 1100 tomorrow at government palace where he will be sworn in as defense minister.

[Begin Oviedo recording] To help the people to remain calm, I wish to inform you that the Armed Forces continue to be strongly united and that the country's democratization continues to develop with absolute normalcy. [end recording]

[Anchorman] Please put the volume up somewhat because the recording sounds very distant and with a lot of echo.

[Begin Oviedo recording] ....at 1700, Engineer Juan Carlos Wasmosy — the president of the Republic and commander in chief of the Armed Forces of the nation — will be at the office of the commander in chief, I mean, at the Army headquarters in Mariano Roque Alonso, as proof that he has a loyal soldier, and to hand over the Army command to another great cavalry general, to another Carlos [nom de guerre used by the leaders of the 1989 coup d'etat] who is also a protagonist of this democratic process. I refer to Division General Oscar Diaz Delmas. [applause]

Many may be wondering what will become of General Oviedo. There is no need to worry. Tomorrow, at 0900 at the Lopez Palace, I mean, at 1100, I will take the oath of office as defense minister. [applause]

This is my message on this, equestrian day, on the anniversary of our patron Saint George. We have just ended talks with the president of the Republic and I invite everyone to Mariano Roque Alonso at 1700, and tomorrow at the Lopez Palace at 1100. [applause] [end recording] [end relay]

Paraguay: Congress Chairman on Oviedo as Defense Minister

PY2304192196 Asuncion Radio Nanduti in Spanish 1831 GMT 23 Apr 96

[Relay by unidentified reporter with station anchorman from entrance of presidential residence — live]

[FBIS Translated Text] [Unidentified reporter] Right now Congress chairman [Rafael Casabianca] is leaving Mburuvicha Roga. Please, Senator. What did you discuss with President Wasmosy?

[Casabianca] The dinner party, I mean, the luncheon, was to fete President Cesar Gaviria, secretary general of the OAS, who visited us and is leaving shortly. He came on behalf of the OAS and did our country a great favor. It was to fete him.

[Reporter] General Lino Cesar Oviedo said he was handing over the Army commandership at 1700 and that he will assume the position of defense minister tomorrow.

[Casabianca] That is so.

[Reporter] Has that been confirmed?

[Casabianca] Yes, that information is confirmed.

[Reporter] What do you have to say about that?

[Casabianca] It is an executive branch prerogative and we were informed about it. It is quite like....

[Reporter, interrupting] It is making a mockery of the citizenry.

[Casabianca] The president....

[Reporter, interrupting] No, we are asking you.

[Casabianca] The president has made that decision; it was probably the subject of negotiations. It was a surprise to everyone.

[Reporter] The citizenry considers it a joke.

[Casabianca] I don't think, I do not....

[Reporter, interrupting] [question distinct]

[Casabianca] No. We are going to discuss that at length, we are going to discuss it amply. This is the first information we have about it. We learned about it here. The president officially disclosed the information to those of us having lunch. This afternoon the presidency of the Republic will issue a communique or something similar. The president ratified that [Division General Oscar Diaz] Delmas will be sworn in. He said that every journalist, minister, politicians is invited to the ceremony. I am going to go to that ceremony. Wasmosy will participate in Delmas' swearing in.

[Reporter] The national Congress chairman is now leaving the presidential palace.

Paraguay: Installation of New Army Commander Postponed

PY2304203196 Lambare Paraguay Radio Cardinal in Spanish 1940 GMT 23 Apr 96

[Live relay by Luz Ferreira from the Army Command Headquarters]

[FBIS Translated Text] We have been informed that the ceremony in which General Lino Cesar Oviedo will hand over power to General Oscar Diaz Delmas — who was to have been installed as new Army commander at 1600 local time — will only take place tomorrow morning at 0800 local time. According to the guard posted here, the ceremony has been suspended until tomorrow.

Paraguay: Arrival of Rio Group Secretary in Asuncion Noted

PY2404004096 Madrid EFE in Spanish 2049 GMT 23 Apr 96

[FBIS Translated Text] La Paz, 23 Apr (EFE) — The Bolivian Foreign Ministry has reported that Jaime Aparicio, coordinator of the Rio Group Pro Tempore Secretariat and Bolivian international relations secretary, today expressed to the Paraguayan administration of President Juan Carlos Wasmosy the solidarity of Bolivia and of the Rio Group.

Aparicio traveled to Asuncion on 23 April together with OAS Secretary General Cesar Gaviria, who on 22 April visited La Paz to distinguish Bolivian President Gonzalo Sanchez de Lozada with the Inter-American Award of Leadership.

Bolivian Foreign Ministry sources told EFE that the trip by Aparicio was decided upon suddenly, owing to the events that took place in Paraguay on 22 April on account of the rebellion of General Lino Cesar Oviedo, who was replaced as Army commander by President Wasmosy.

Gaviria, the Bolivian Government, and the Rio Group officially expressed their total support for the president of Paraguay through media communiques and a telephone conversation between Wasmosy and Gaviria.

The Rio Group Pro-Tempore Secretariat, which this year is held by Bolivia, expressed in a communique its repudiation "of any attempt to subvert the order legally established in Paraguay."

Paraguay, which next year must host the Rio Group meetings, this year is member of the "troika" of the regional group, together with Ecuador and Bolivia.

Paraguay: Argentine, Uruguayan, Brazilian Ministers Arrive

PY2304215496 Asuncion RPC Television Network in Spanish 2055 GMT 23 Apr 96

[FBIS Translated Text] Argentine and Uruguayan Foreign Ministers Guido di Tella and Alvaro Ramos Trigo, respectively, have just arrived and are now walking down the stairs of the airplane. They are thus joining other international officials who are now in Asuncion, the capital of Paraguay, concerned over the situation that has been prevailing here since yesterday.

The Argentine Air Force Plane, Juan Domingo Peron, has brought the Argentine and Uruguayan foreign ministers. We can now see Argentine Foreign Minister Guido di Tella and Uruguayan Foreign Minister Alvaro Ramos Trigo being welcomed by the Paraguayan foreign minister. This delegation also comprises political and congressional officials from the two countries.

Brazilian Deputy Foreign Minister Sebastiao do Rego Barros arrived a few minutes ago, and before boarding the vehicle that took him to his hotel, he said that he was waiting for the arrival of the Argentine and Uruguayan foreign ministers to hold a meeting with them, which he considered very important at this moment in Paraguayan history.

We are trying to obtain some remarks by the foreign ministers before they enter the airport presidential suite, because it will be difficult to obtain remarks afterward.

[Unidentified reporter] Mr. Foreign Minister, are you bringing some special instruction from your government?

[Ramos] Just the personal concern from President Sanguinetti to try solve this institutional impasse that has emerged here, understanding that support to the Paraguayan institutional system is a value all Mercosur [Common Market of the South] countries want to protect and strengthen. This is the idea, in addition to a message of dialogue, a message of support to President Wasmosy, that matters be resolved in the best manner possible.

[Reporter] What is the latest information you have received, Mr. Foreign Minister?

[Ramos] Well, right now we are going to check the situation in the country.

Argentine Foreign Minister Di Tella was very brief in his remarks. He said: First we are going to see what is happening. We are going to study the situation, and then we will talk, and we will make all the remarks you would like, he told reporters.

Paraguay: Asuncion Mayor Demands Oviedo's Resignation

PY2304232896 Madrid EFE in Spanish 2110 GMT 23 Apr 96

[FBIS Translated Excerpt] Asuncion, 23 Apr (EFE) — Amidst shouts of "treason," thousands of persons gathered today outside the Paraguayan Congress building to protest against the solution adopted by President Juan Carlos Wasmosy to put an end to the military crisis that erupted yesterday.

Addressing the protest rally, Asuncion Mayor Carlos Filizzola, president of the National Encounter Alliance (PEN) — the third most important party in Paraguay — stated: "Army Commander General Lino Cesar Oviedo must leave and face charges before a civilian court of law."

Gen. Oviedo rose up in open rebellion following his refusal to accept Wasmosy's decision to send him into retirement. After lengthy negotiations, the crisis was surmounted by appointing Oviedo as defense minister. Oviedo will be installed in his new position on 24 April.

This decison gave rise to minor demonstrations in the streets of Asuncion, particularly outside Government House and the Congress building. Nevertheless, no incidents or clashes between demonstrators and security forces guarding those buildings have been reported.

In his speech, Filizzola — a young opposition leader — said that his party was not in the least involved in the negotiations that resulted in Oviedo's nomination as defense minister.

The Asuncion mayor said: "The PEN has adopted a very clear position defending our country's institutionalization. We are in no way going to accept such a solution."

Filizola said that with his decision, Wasmosy "makes us feel ashamed." The mayor said that the Paraguay Government was in need of "new blood" "that is not committed to corruption." [passage omitted]

Paraguay: Liberal Leader on Oviedo Becoming Minister

PY2304233396 Lambare Paraguay Radio Cardinal in Spanish 2155 GMT 23 Apr 96

[Interview with Paraguayan Authentic Radical Liberal Party leader Domingo Laino by unidentified reporter in Asuncion on 23 April — recorded]

[FBIS Translated Text] [Laino] I was saying that when a process of transition to democracy is peaceful, it requires a great exercise of patience that must admit gradualness. I think that the principle of gradualness must now prevail; otherwise, it will be impossible to find, within a short period of time, the solution to all our problems.

[Reporter] Excuse me, has President Wasmosy confirmed to you that General Oviedo will become defense minister tomorrow?

[Laino] In a conversation, he said that in effect he will become defense minister, and that this afternoon General Dias Delmas will become the new Army commander. I also heard some versions saying that Gen. Oviedo will be sent into retirement.

[Reporter] It is said that he will pass into retirement before 15 May. However, has President Wasmosy confirmed that Oviedo will become defense minister tomorrow?

[Laino] There is not a total confirmation, but in a conversation it was mentioned that he would become defense minister.

Paraguay: General Oviedo's Retirement on 15 May 'Implied'

PY2304233996 Lambare Paraguay Radio Cardinal in Spanish 2230 GMT 23 Apr 96

[FBIS Translated Excerpt] The outcome of the military crisis that was sparked in Paraguay on Monday has left a bitter taste in the mouths of the Paraguayans and has made President Juan Carlos Wasmosy lose the opportunity to recover the popularity he has been losing.

Wasmosy today announced [as heard] that Army Commander General Lino Cesar Oviedo will be the defense minister, although on Monday he was declared in state of rebellion for not accepting his removal, which unleashed the most serious political crisis experienced in Paraguay since the recovery of democracy.

According to diplomatic sources, this solution implied that Gen. Oviedo will go into retirement on 15 May, although it is not known whether he will remain as defense minister as of that date. [passage omitted]

Oviedo, who 24 hours ago sought refuge in his garrison and was threatening coercive measures if Wasmosy did not reconsider his decision to remove him, will now hold a post within the government, but without direct command of troops.

The military commander, however, seemed to feel satisfied by this step, announcing that tomorrow, 24 April, he will assume office in front of the president, whom he termed, with an ironic smile on his face, "my great friend, engineer Wasmosy."

This fact has prompted division among Paraguayans, because while some see it as a "lesser evil" for the solution of a crisis that was threatening bloodshed, others consider it "treason" to the democratic system established seven years ago.

Senator Carlos Alberto Gonzalez, of the Authentic Radical Liberal Party (PLRA), the second political force in the country, has said: "This decision can be a solution to the military problems, but for public opinion it means treason." [passage omitted]

Paraguay: Wasmosy Thanks Argentina's Di Tella for Support

PY2304235296 Buenos Aires TELAM in Spanish 2254 GMT 23 Apr 96

[Report by TELAM unidentified special correspondent in Asuncion]

[FBIS Translated Excerpt] Asuncion, 23 Apr (TELAM) — Diplomatic sources have reported that Paraguayan President Juan Carlos Wasmosy today thanked Foreign Minister Guido Di Tella for the "Argentine government and people's" support in the face of the institutional crisis in which our neighboring country is enmeshed.

Di Tella met with President Wasmosy at the presidential residence this afternoon. Also attending the meeting were OAS Secretary General Cesar Gaviria, representatives of the Rio Group, the Brazilian deputy foreign minister, Uruguayan Foreign Minister Alvaro Ramos, and Paraguayan Foreign Minister Luis Maria Ramirez Boettner.

The aforementioned diplomatic sources reported: "The foreign ministers conveyed to the Paraguayan head of state Mercosur [Common Market of the South] member countries' support for and solidarity with him." [passage omitted]

The Argentine foreign minister underscored the "total and resolute support for democracy in Paraguay," although he acknowledged that "the situation in Asuncion is delicate and serious."

Di Tella warned: "We, representatives of Mercosur member countries, have adopted a stance showing complete solidarity with President Wasmosy and fully condemning General (Lino) Oviedo's inconsiderate decision."

The foreign minister expressed, on behalf of President (Carlos) Menem, his "wholehearted and full" support for "democracy in Paraguay. We are not guided in this by any ulterior political or economic interest. The prevalence of democracy in Paraguay is an absolute priority."

Di Tella's entourage in Paraguay includes Senators Eduardo Menem, Antonio Cafiero, Augusto Alasino, and Eduardo Vaca and Deputies Jorge Matzkin, Marcelo Lopez Arias, and Federico Storani.

Paraguay: Di Tella Comments on Meeting With Wasmosy

PY2404000596 Asuncion Radio Nanduti in Spanish 2310 GMT 23 Apr 96

[Report by Victor Roman]

[FBIS Translated Text] Argentine Foreign Minister Guido di Tella was the only one to make brief remarks to the press so far.

[Begin recording] [Di Tella] The three foreign ministers [as heard] of the Mercosur [Common Market of the South] have come here to express our total solidarity with Paraguayan Constitutional President Juan Carlos Wasmosy. We have said that he represents democracy to the last day of his term in office, not a single day less or more. Internal decisions that must be made will be made by the president. He is the president of a democratic system which condemns international isolation, [words indistinct]. The Mercosur countries have full confidence in Paraguay, in the Paraguayan people and government. The problems are very complicated, and the solutions are difficult, but we can say that the Paraguayan constitutional president is the representative of democracy.

[Unidentified reporter] Does this means that democracy has been guaranteed for the time being?

[Di Tella] We fully and totally support Paraguayan democracy, which is represented by President Wasmosy.

[Reporter] Did the president tell you that he had designated General Lino Cesar Oviedo as the new defense minister, and that with this designation, the tense situation will be solved?

[Di Tella] Let us say that the talks are leading toward that direction. If you need more details, you will have to ask the president.

[Reporter] Did General Oviedo already....

[Di Tella, interrupting] That is all. Thank you. So long.

Paraguay: Wasmosy on Command Change, Oviedo Retirement

PY2404014996 Asuncion RPC Television Network in Spanish 0025 GMT 24 Apr 96

[FBIS Translated Text] As the viewers may have noticed, not only diplomats and other representatives of friendly countries and international organizations have come to our country, but also representatives of many media organizations in the region, especially from Argentina, Brazil, Chile, and Uruguay. Colleagues of ATC [Argentina Televisora Color] have had the courtesy of letting us disseminate an exclusive interview they had with Paraguayan President Juan Carlos Wasmosy at the end of a meeting with Argentine Foreign Minister Guido Di Tella.

[Begin recording] [Unidentified ATC reporter] We are here at the official residence of President Juan Carlos Wasmosy. President Wasmosy, this is an Argentine television station. Argentine President Carlos Menem is watching you, as are the Argentine people. What can you tell us about the conflict?

[Wasmosy] Well, the conflict has been overcome. I believe there are always small hurdles in any democratic process, but by exercising patience, tolerance, and open-mindedness, one can find solutions to these problems. Now, I would like to take this opportunity to convey my gratitude to my colleage, President Menem, for his great Latin American spirit, as the leader of a sister nation that has been in solidarity with our problems. He has always supported me. This time, without being asked, he has lent me his generous support, which I greatly appreciate.

[Reporter] Has the problem been solved?

[Wasmosy] That is right.

[Reporter] On what conditions?

[Wasmosy] The change of command will take place tomorrow and later he [Army Commander Lino Cesar Oviedo] will submit his application for retirement and that will be the end of this.

[Reporter] Will he be the new defense minister?

[Wasmosy] We are finding that, in accordance with the Constitution, he cannot serve as defense minister as long as he is on active duty.

[Reporter] Mr. President, were you afraid?

[Wasmosy] Pardon?

[Reporter] Were you afraid at any moment?

[Wasmosy] I have not been afraid of anything yet. [end recording]

Paraguay: Wasmosy Gives Statement to Media on Situation

PY2404041396 Asuncion Red Nacional de Television in Spanish 0249 GMT 24 Apr 96

[Statement by President Juan Carlos Wasmosy to foreign and domestic reporters assembled at Mburuvicha Roga, the official presidential residence in Asuncion — live]

[FBIS Translated Text] Fellow citizens: I want to tell you with great satisfaction that as we have overcome the events we have experienced over the past few hours, the democratic process and the institutional order have emerged strengthened.

Our firm determination, the invaluable cooperation of the other government branches, the encouraging support of the citizens, and the decisive and tremendous international solidarity, as well as the diligent action of the press, have helped us achieve a solution to the conflict in compliance with the Constitution and the laws.

In fact, tomorrow at 0800 [1200 GMT] Division General Oscar Rodrigo Diaz Delmas will assume command of the Army, replacing Division General Lino Cesar Oviedo Silva, who will go into retirement.

Gen. Oviedo's compliance with the order given by his commander in chief shows that in our political process, we have managed to maintain the Armed Forces of the Republic subordinated to the legitimately established civilian power. If we managed to head off any outbreaks that would have disrupted law and order and caused bloodshed, and even the loss of the innocent lives of our fellow countrymen, it was thanks to the fact that my administration managed to rally the support of political parties; social organizations; trade unions; the presidents, foreign ministers, and congressmen of Argentina and Uruguay; and ambassadors of all the countries with which we maintain friendly relations.

The presence of OAS Secretary General Cesar Gaviria and the permanent company of our Holy Father's Nuncio and of the ambassadors endorsing our endeavors in this difficult situation strengthened our confidence in the victory of democracy.

Mercosur [Common Market of the South] has demonstrated the enforcement and validity of the principle of international solidarity with the presence among us of Foreign Ministers Guido Di Tella of Argentina, Alvaro Ramos of Uruguay, and Deputy Foreign Minister Sebastiao do Rego Barros of Brazil, who have reaffirmed their confidence in the president of the Republic of Paraguay, elected by popular vote, and in the solution attained on this occasion.

It is appropriate as well to note that the coordinators of the Rio Group and of the Ibero-American nations are also among us. The decisions that have been made are of my sole and absolute responsibility, and I am in full command of the powers granted by the Constitution to the president of the Republic.

The proposal to appoint Gen. Oviedo as defense minister, once he goes into retirement, without his involvement in the Armed Forces chain of command, stems from the peaceful solution to this crisis.

We will not spare efforts to consolidate democracy; to maintain the country's intitutional system; and to seek, through all means possible, our country's progress and development, so that the Paraguayan people will have greater well-being.

Thank you very much, Messrs. journalists.

Paraguay: Seifart-Led Faction Rejects Oviedo 'Compromise'

PY2404042396 Asuncion Radio Nanduti in Spanish 0315 GMT 24 Apr 96

[Communique issued by the electoral command of the United Colorado Party faction, read by Angel Roberto Seifart, leader of the faction and vice president of Paraguay, in Asuncion — live]

[FBIS Translated Text] The United Colorado Party hereby conveys its gratitude to our fellow party members who have responded nationwide to our call to rally to support the constitutional order.

The United Colorado Party disapproves and rejects any compromise solution with seditious General Lino Cesar Oviedo that may entail rewarding his rebellious attitude in response to his replacement as Army commander, as ordered by the commander in chief of the Armed Forces, Engineer Juan Carlos Wasmosy.

The United Colorado Party hereby calls upon Colorado Party members to firmly upohold their democratic principles by strongly rejecting those actions that are out keeping with the legitimate desires of freedom and democracy.

The United Colorado Party urges all party members nationwide to meet their civic duty to cast their votes for the candidates of ticket number three to help project our glorious National Republic Association [ANR], Colorado Party, into the national leadership following the nationalist ideals laid down by the founders of our party.

Paraguay: Oviedo Becoming Minister 'Unacceptable' for PLRA

PY2404043496 Lambare Paraguay Radio Cardinal in Spanish 0325 GMT 24 Apr 96

[Declaration by the Authentic Radical Liberal Party, PLRA, read by PLRA Secretary General Juan Felix Bogado Gondra in Asuncion — live]

[FBIS Translated Text] Considering the national situation, which is of public knowledge, the PLRA declares the following:

First, the PLRA expresses its disagreement with the decision of the president of the Republic to appoint Division General Lino Cesar Oviedo Silva minister of national defense.

The PLRA clarifies that it has had no participation, direct or indirect, in the regrettable transaction that took place.

Second, such a presidential transaction places at risk the institutional stability of the Republic because it places in the aforementioned ministry an insubordinate military officer who openly challenged the constitutional order and who will continue being, from the post of defense minister, a permanent danger to the democratic transition of our country.

Third, it is important to point out the unanimous expressions of support of the national and international communities for the process of democratization of the Republic, for the legal order, and for the full validity of the national Constitution.

Fourth, the appointment of a military officer who is in open insubordination, no matter his reasons, as minister, besides establishing a bad institutional precedent, is unacceptable from the ethical and political point of view, and aggravates the image of Paraguay on the international scene.

[Dated] Asuncion, 23 April 1996

[Signed] Domingo Laino, PLRA president, and Juan Felix Bogado Gondra, PLRA secretary general

Paraguay: Oviedo Addresses Farewell Speech To Soldiers

PY2404144896 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1217 GMT 24 Apr 96

[Speech by outgoing Army Commander Division General Lino Cesar Oviedo during the inauguration of Division General Oscar Rodrigo Diaz Delmas, new Army commander, at the First Army Corps Headquarters in Mariano Roque Alonso — live]

[FBIS Translated Text] Mr. president of the Republic of Paraguay and commander in chief of the Armed Forces of the nation, Engineer Juan Carlos Wasmosy; Your Excellency, OAS Secretary General Cesar Gaviria; commander of the military forces Army Division General Silvio Rafael Noguera; your excellencies, Messrs. ambassadors; Navy Commander Vice Admiral Guillermo Lopez Moreira; Air Force Commander Division General Cesar Cramer; generals; admirals of the nation; national and foreign authorities; Messrs. defense attaches of friendly countries; ladies and gentlemen; dear soldiers:

Deeply moved and with a great desire to serve, I hand over the Army commander to Division General Oscar Rodrigo Diaz Delmas, illustrious comrade-in-arms, dear Carlos 4 [his radio call sign during the 1989 coup d'etat], whose fruitful career as a soldier is a true example of loyalty and desire to serve in the fulfillment of his duties. Therefore, I am strongly convinced that this dear institution, to which I have devoted all my efforts, will continue to fulfill with honor the role it plays within the Armed Forces. I leave my post with the satisfaction of having fulfilled my duty, after having worked with great affection for the professional upgrading of the glorious Army.

Commander in chief, in honor of the illustrious olive green uniform and as a lasting homage to those heroic soldiers that filled it with glory, I wish to say that, in my capacity as soldier, I have always served as best as I could convinced and certain that this is the only way to serve the Armed Forces best. Posterity will judge our actions and history will judge our contributions to the grandeur of the fatherland.

Paraguay, the cradle of brave men, is also the source of strong hopes reflected in its citizens' desire to struggle. Within this context, the nation of these soldiers... [changes thought] who are subjected physically and spiritually. Therefore, society must express its appreciation for its military fellow countrymen.

No fair and democratic society can overlook the role military men play for the sake of a country's grandeur, peace, and security.

With these reflections, that are based on the experience I have gathered over so many years of service within the Armed Forces, I place my determination and desire to work at the service of the nation and the armed institutions in whatever combat post my superiors my assign me to.

I am strongly convinced that I will always know how to do my job with dignity and in a humble manner, as is only appropriate for those who, trained in compliance with the tradition of the Guarani warrior, have done so.

Generals, commanders, subordinates, noncommissioned officers, military personnel, and dear conscripts of the Army. Before the fatherland I loyally pledge my everlasting gratitude to you for helping me to fulfill my duties. I will cherish having being your commander within the Army as one of my best memories.

As I wish Division General Oscar Rodrigo Diaz Delmas the best of luck in his new post, I also want to express my gratitude to the commander in chief for his confidence in me to fulfill this difficult task of heading the glorious Paraguayan Army. Thank you very much. [applause]

Paraguay: Navy Head on Oviedo Becoming Defense Minister

PY2404140996 Asuncion Radio Caritas in Spanish 1250 GMT 24 Apr 96

[Interview with Rear Admiral Carlos G. Lopez Moreira, National Navy commander, by unidentified reporters on 24 April; place not given]

[FBIS Translated Text] [Lopez Moreira, in progress] ... mathematically, this fact has a political projection because the process that made us stand on the side of the president of the Republic continues, we took this stand to end the situation, and allow him to continue to govern.

[Unidentified reporter from Cordoba, Argentina] We cannot understand that. I ask you very earnestly, but with respect, how can Mr. Oviedo be elevated to the position of minister? You, who head the Navy and who stood on the side of the Constitution and democracy, how can you explain that?

[Lopez Moreira] First, he has not been promoted within the Armed Forces cadres. Our situation is different from yours. In Argentina the defense minister is within the chain of command. He will occupy an administrative position as defense minister.

[Same Argentine reporter] But he has been appointed to a higher position, this is a prize.

[Lopez Moreira] I will tell you something. In some situations, solutions cannot be perfect from the mathematical point of view, but it is a solution and I believe that it is an effective solution.

[Same Argentine reporter] You do not believe that the democratic process has been disrupted?

[Lopez Moreira] By no means. I believe this is exactly the solution we were looking for. I believe the process continues, will become consolidated, and that at the end of the presidential period the president will hand over to the next elected president.

[Same Argentine reporter] What do you believe the people think?

[Lopez Moreira] Due to their emotions, the people sometimes are unable to analyze facts in their real dimensions. I believe they will gradually realize this is a solution, a well-balanced solution.

[Unidentified reporter] This has also been a serious violation of the Constitution.

[Lopez Moreira] This is what I am saying, maybe this is not the fairest and the most mathematically correct solution, but it is the most appropriate one under the current circumstances.

Peru

Peru: Tudela Expresses Concern Over Paraguay Situation

PY2304163096 Madrid EFE in Spanish 1526 GMT 23 Apr 96

[FBIS Translated Text] Lima, 23 Apr (EFE) — Peruvian Foreign Minister Francisco Tudela expressed today "great concern" for the situation in Paraguay as a result of the crisis unleashed by the dismissal of Paraguayan Army Commander General Lino Cesar Oviedo.

During the opening of the First Specialized Inter-American Conference on Terrorism in Lima today, Tudela said: "We convey our concern and solidarity to President Juan Carlos Wasmosy in face of the rebellious attempt that threatens Paraguayan democracy."

Tudela spoke before the delegates of the 35 countries which make up the OAS, who are attending the meeting.

Tudela was elected president of the conference which began today at a downtown hotel in Lima.

Peru: Fujimori Expresses 'Deepest' Support for Wasmosy

PY2404003896 Madrid EFE in Spanish
2044 GMT 23 Apr 96

[FBIS Translated Text] Lima, 23 Apr (EFE) — Peruvian President Alberto Fujimori today sent a letter to his Paraguayan colleague Juan Carlos Wasmosy in which he expresses his "deepest and profound solidarity" in view of the crisis provoked by the removal of Paraguayan Army Commander Lino Cesar Oviedo.

In his letter to Wasmosy, Fujimori states that the Peruvian Government and its people have learned about "the condemnable attitude of sedition against the legitimate government over which you preside."

General Oviedo unleashed a crisis when he refused to accept his removal as Army commander, which was ordered by President Wasmosy.

In his letter, Fujimori states that "this intimidation, which we reject, not only poses a threat to the stability of Paraguayans, but also constitutes an affront to all Latin American democracies."

He adds that in view of "these difficult circumstances, I wish to extend to you our deepest and fraternal solidarity, and my personal support."

Fujimori concludes his letter by stating that Peru is "fully confident" that the Paraguayan people "will decide in favor of the values of the democratic system you represent." He also expresses his hope that a prompt and favorable solution will be found "to this unfortunate circumstance."

Peru: Fujimori Confirms Brother To Leave Advisory Post

PY2404113396 Madrid EFE in Spanish
1552 GMT 22 Apr 96

[FBIS Translated Text] Lima, 22 Apr (EFE) — President Alberto Fujimori has confirmed that his brother Santiago Fujimori, who is considered one of the strongmen of Peru, will soon leave the government and the country.

This is how President Fujimori confirmed information disclosed last weekend by the weekly SEMANA ECONOMICA. But according to the publication, Fujimori denied his brother was leaving because of any "political struggle."

According to the weekly, Santiago Fujimori resigned as the president's personal advisor because several ministers close to him were dismissed after the ministerial crisis three weeks ago.

The former ministers who were close to Santiago Fujimori were ex-Prime Minister Dante Cordova, ex-Agriculture Minister Absalon Vasquez, ex-Labor Minister Sandro Fuentes, and ex-Fisheries Minister Jaime Sobero.

Upon confirming the information, President Fujimori said that his brother is leaving the government, "after giving me great help for five and a half years," to continue his post-graduate law studies abroad.

President Fujimori said that his brother's work as advisor was "to check for any suspicious article that could have been included in the bills or supreme decrees."

But political analysts believe that Santiago Fujimori's power went beyond that job, that he also proposed who should be ministers, deputy ministers, heads of public companies, and chiefs of important public organizations.

The analysts also said that Santiago Fujimori lost power because the ministers linked to him failed in the "adjustments" made to the economic program because it created problems such as the increase in the inflation rate during the first quarter of 1996.

According to the analysts, the adjustments in the program were made despite the opposition of Economy and Finance Minister Jorge Camet, who came out strengthened from the cabinet reshuffle that led to the resignation of the ministers close to Santiago Fujimori.

Peru: Union for Peru Movement Affected by 'Crisis'

PY2004010096 Madrid EFE in Spanish
1811 GMT 19 Apr 96

[FBIS Translated Text] Lima, 19 Apr (EFE) — The internal crisis affecting the opposition Union for Peru Movement (UPP) worsened today with the confirmation that congressman Francisco Pardo Mesones, who is one of the founders of the movement, decided to leave the organization.

Pardo Mesones, who personally confirmed his decision, said he decided to leave the UPP due to "irreconcilable differences" with the leftist sector of the party, which emerged after the government decided to privatize Petroperu [State Petroleum Agency].

The UPP, which was created in 1994 to support the presidential candidacy of ex-UN Secretary General Javier Perez de Cuellar, is comprised of politicians of various trends.

Pardo Mesones said that the leftist congressmen of the UPP have become the spokesmen of the party by making the people identify their ideas with those of the party.

The crisis within the UPP began a few weeks ago when its "left wing" headed by congressmen Daniel Estrada, Gustavo Mohme, and Henry Pease began a strong campaign to have a referendum decide the privatization of Petroperu.

The other UPP sectors rejected the proposal and supported the privatization. This situation aggravated the crisis and forced Perez de Cuellar to call for an urgent meeting, after which Pardo Mesones resigned from the party.

The Lima press also reported that congressman Gustavo Mohme, owner of LA REPUBLICA, apparently left the party because Perez de Cuellar refused to publicly support the referendum.

Mohme did not attend the meeting called by Perez de Cuellar, while his daily continues its campaign in favor of the referendum, which was the cause of the disagreement within the party.

Perez de Cuellar played down Pardo Mesones' resignation and the ideological disputes within the party by saying that the UPP will always maintain "a centrist trend."

He added that his party supports the privatization of Petroperu "but with the participation of the state," and refused to comment on the referendum sponsored by the leftists.

Political analysts believe that while different ideologies prevail in the UPP, its future will continue to be uncertain and new crises like this one will occur.

Peru: Law Regulating Referendum Mechanism Promulgated

PY2004032696 Lima EL COMERCIO in Spanish 19 Apr 96 p A4

[FBIS Translated Text] Yesterday President Alberto Fujimori promulgated Law No. 26592 that distorts the referendum as a direct democracy mechanism because from now on it will be used when a bill is rejected by Congress, as long as no fewer than 48 legislators have voted in favor of it.

This law modifies Articles 13, 15, and 16 of Law No. 26300, the Law of the People's Right To Participate and Supervise [Ley de los Derechos de Participacion y Control Ciudadanos], which, during debate, first by the Constitutional Committee and then during a plenary session of Congress, was strongly questioned by the opposition minority.

The promulgation of this law takes place at the same time as the Federation of Oil Workers is proposing a referendum on the government's decision to privatize the assets of the State Petroleum Agency (Petroperu.)

In the opinion of Henry Pease Garcia, legislator of the Union for Peru, it is quite obvious that with this law there will be no referendum unless the governing majority wants it, "because that law approves a referendum through a vote in Congress. Moreover, if the majority does not desire it, nothing reaches a plenary session in Congress or is approved by the congressional committees. The people must be aware that they have just been deprived of a right."

Pease — a member of the Constitutional Committee — said that "the referendum is a direct right that has nothing to do with Congress, that stems from the peoples' own initiative. This is why I maintain that it is an unconstitutional norm. Currently, the state is a wall that doesn't listen."

Javier Alva Orlandini (AP [Popular Action]), also a member of the Constitutional Committee, warned that the promulgation of Law No. 26592 should not neutralize actions that have already been taken — especially those referring to the request made by the oil workers.

"The referendum is already under way and the law cannot have a retroactive effect. The referendum is a right directly exercised by the people. It cannot be tied to a determined number of votes (two- fifths of the legal number of legislators). It is a vicious and immoral way of preventing the citizen from exercising his rights," he said.

Xavier Barron Cebreros, of the Chistian Popular Party, said that "it is absolutely unconstitutional because it is contradictory to the essence of the law."

"In other words, direct democracy has not been established by any Constitution. For the first time, this Constitution — with the vote of the entire citizenry — decided there would be direct democracy in certain cases. But this law directly contradicts this democracy because by establishing that 48 legislators mean more than those who will decide with their vote, we have gone back to the representative formula. What was direct democracy established for then? It makes no sense."

Barron said that more than being unconstitutional, "this law is nonsense. Rather than the Siura law, I would call it the law of fear, because it is based on the fear of losing a referendum. Whoever acts in fear ends up making mistakes such as this one, historical mistakes, assessment mistakes, electoral mistakes, constitutional mistakes."

Rafael Rey, of the Renewal Movement, questioned the timing of this law that modifies the Law of the People's Right to Participate and Supervise, specifically regarding the referendum.

He said: "Obviously there is an indirect connection with the possible referendum on Petroperu and I believe that those of us who are in favor of its privatization should give the country further details about the great benefits this sale will yield and explain that the referendum is not appropriate for other reasons, among them the expenditures it will entail."

Peru: Fisheries Minister Says Policy To Be Maintained

PY1904015196 Lima EXPRESO in Spanish 9 Apr 96 p A3

[FBIS Translated Excerpt] New Fisheries Minister Alberto Pandolfi Arbulu, who assumed his new position yesterday, said that "the current policy being implemented in the ministry will be maintained." He added, however, that the policy "will be continuously improved," and that the privatization of the fish oil refinery and the Fisheries Services Enterprise (Esep) will be concluded.

Pandolfi also announced that the prohibition on catching anchovy and sardine in force since February will be lifted on 10 or 11 April.

Furthermore, he announced that the Fisheries Ministry "will put emphasis on producing its own resources through biddings for fishing, such as the case of giant squid, which yielded an income of $106 million from 1992 to 1995."

Pandolfi also recalled that fishing exports in 1995 reached $930 million.

He added: "The ministry will use those resources for scientific research through the Ocean Institute of Peru (Imarpe). [passage omitted]

Peru: Latin American Jurists Laud New Antinarcotics Law

PY2204193896 Madrid EFE in Spanish 1831 GMT 19 Apr 96

[FBIS Translated Text] Lima, 19 Apr (EFE) — The Andean Jurists Commission (CAJ) stated today that the new Peruvian law that reduces or annuls sentences of repentant drug traffickers who cooperate with the court is a useful tool to fight drug trafficking.

CAJ President Diego Garcia Sayan, who is Peruvian, said: "It is an interesting legal instrument that may yield great results."

Garcia Sayan asserted: "Colombia's experience with a similar law is encouraging, because that law decisively contributed to detain and punish the Colombian drug kingpins, who are now behind bars."

He added: "However, this tool will not be sufficient to wipe out drug trafficking, which has other roots — among them great consumer markets and the extreme poverty which push people into producing drugs."

Garcia Sayan attended the signing ceremony of an agreement by which the CAJ will place at the disposal of the Peruvian judicial system a network on judicial systems of the remaining CAJ member countries (Bolivia, Chile, Colombia, Ecuador, and Venezuela).

Peru: Roles of JNE, ONPE Redefined

96SM0252A (Internet) Peru DESCO Gopher in Spanish 18 Apr 96

[From DESCO Resumen Semanal 10-16 Apr]

[FBIS Translated Text] To resolve the problem of the conflicting functions of the National Election Board (JNE) and the National Office of Electoral Processes (ONPE), Congress has approved the legal initiative introduced by its president, Martha Chavez, which prescribes the duties of each of the organs of the electoral system. The JNE will have the task of designing, printing, and selling the forms to be used in collecting the signatures of supporters of political organizations that have requested entry in the register of political party organizations. At the same time, the ONPE will assume the duties that are associated with the pre-election process of registering candidates and qualifying proposed referendums and other citizen-sponsored initiatives. Several weeks ago the heads of the JNE and ONPE became involved in a public controversy in which both government organs accused each other of invading their respective domains. (EL MUNDO, 12 April 1996)

The president of the Congress of the Republic, Martha Chavez, declared that the National Election Board "has exceeded its authority" by authorizing the sale of forms designed for obtaining signatures on a petition to hold a referendum on the privatization of Petroperu [State Petroleum Agency]. She explained that according to the charters of the JNE and ONPE, and also the regulations that prescribe their respective functions, the task of selling such petitions belongs to the ONPE. She said that those persons who are asking citizens to sign a petition calling for a referendum to be held on a law that prohibits the privatization of Petroperu are deceiving the public, because no such legislation exists. (GESTION, 13 April 1996)

Peru: Early Reaction to Cabinet: 'Skepticism'

96SM0252B (Internet) Peru DESCO Gopher in Spanish 18 Apr 96

[From Resumen Semanal]

[FBIS Translated Text]

"Political Clarity and Decisiveness"

EXPRESSO writes, in its 10 April 1996 edition: "The initial statements of the recently appointed members of the cabinet have not been as clear and explicit as had been hoped. The new minister of Agriculture, Rodolfo Munante, correctly maintained that the government's principal objectives in the agricultural sector will be to increase agricultural production and agricultural exports. He said that the regulations for the Land Act will be issued as soon as possible and that he will expedite the Water Act. He added, however, that another main objective of his administration will be to promote the development of the peasant communities through the instrumentality of rural funds, although many of these offices are being revealed as dens of corruption. Munante also insisted on continuing the Absalonist [reference is to Absalon Vasquez, Munante's predecessor as agriculture minister] policy of retaining the surtaxes on food imports. In other words, he also seems to have no clear concept of the need for a radical modernization of traditional Peruvian agriculture. Lastly, the new minister has announced that Vice Minister Rodolfo Matsuda will continue in office. Does this constitute change? For his part, the new labor minister, Jorge Gonzales Izquierdo, announced—optimistically—the creation of thousands of jobs. He said the excessive costs that make agricultural production more expensive are a subject that is the province of the Ministry of Economy, as if those costs have not inhibited job creation. And Alberto Pandolfi, the new prime minister and minister of Fisheries, said the policy that has been carried out to date in the agricultural sector will be continued, as if the protectionist system of requiring fishing licenses—which validates a monopoly—was not crying out for reform. It may be that all these diplomatic statements are intended to assuage his predecessors in the office. What is needed, however, is political clarity and decisiveness instead of so much ill-considered caution and deference. For that reason, we are awaiting the appropriate explanations. Otherwise, little or nothing will have changed."

"Vagueness and Imprecision"

Manuel D'Ornellas writes: "The haste that the president demonstrated in replacing most of his cabinet abruptly vanished. The assumption had been that by Monday 8 April the vacancies in the ministries of Education and Public Health would be filled, but both posts are still without new ministers. This confirms the initial interpretation of the cabinet changes, namely that they were an effort to send quick, clear signals of economic decisiveness before panic could spread both within our country and abroad on the eve of a long holiday. That was the most urgent priority: the Education and Public Health ministries could wait, at least a little longer. The problem, however, is that the initial statements made by the memberes of the Pandolfi cabinet do not reflect a desire to have a "complete break" with a past that was characterized by vagueness and imprecision. It is to be hoped that the members of the new cabinet will, in the days to come, gradually distance themselves from previous ambiguities, because such a profound and hasty change in the table of organization of the Executive Branch would otherwise be incomprehensible." (EXPRESSO, 10 April 1996)

D'Ornellas goes on to say: "The most recent cabinet appointments resembled the way the Oscars are awarded in Hollywood. In the movie capital, an envelope that contains the name of the prizewinner is opened; here, it is the announcer of the event who reveals the identity of the new member of the cabinet only when that person is hastening to kneel before the crucifix and face the president. Does this reflect a lack of foresight, or doubts that have persisted until the last moment? Probably the former." (EXPRESO, 11 April 1996)

"There Is Reason for Skepticism"

LA REPUBLICA writes on 12 April 1996: "After several days' search, President Fujimori filled the two remaining vacancies in the cabinet headed by Alberto Pandolfi, namely the posts of minister of Public Health and minister of Education. The Public Health post went to the attorney Marino Costa Bauer, an expert in the field of insurance who served in that capacity as the former general manager of the insurance company El Condor and also as director of the Republic Bank and IPAE [Peruvian Institute of Business Administration]. The new education minister is the engineer Domingo Palermo Cabrejos, a building contractor and broadcasting entrepreneur and also the founder and former president of the Pro Lirica cultural association. Without completely ruling out the possibility that an entrepreneurial presence can yield good results in other sectors, there is reason to be skeptical in sectors where such a presence has been unproductive. And this is precisely because the ministries in these sectors—such as Public Health and Education—require specialized knowledge. So long as it was a question of expediting school construction, the presence of a contractor as minister of Education could have been explained, but school construction has for some time now been a function of the Ministry of the Presidency. An expert—Leon Trahtemberg—was rumored to be "cabinet material" for the key Education post, which requires that its occupant bell the cat, that is to say, head a team that will carry out educational reform and who understands the situation. Unless we witness the total metamorphosis of Engineer Palermo, it will be difficult to say that he is the right person for the job. The change at the Ministry of Health is even more inexplicable, because while the Education Ministry may be at square one, this is not the case at the Health Ministry, where the outgoing minister was in fact expediting the reform of his sector and working with a team of experts. Let us trust, in any case, that the impression of deja vu is not entirely accurate."

Peru: IMF Discussion Analyzed

96SM0252C (Internet) Peru DESCO Gopher in Spanish 18 Apr 96

[From Resumen Semanal]

[FBIS Translated Text]

"The Reasoning" of the IMF

GESTION writes on 10 April 1996: "In the negotiations with the IMF, the principal aspect to be negotiated relates to the goals of fiscal policy. Agreeing to the measures proposed by the FMI would mean that the national treasury would have to generate additional revenues amounting to approximately $900 million, which would have a devastating effect on the level of economic activity. In this undesirable hypothesis, the goal of a 4 percent growth of the GDP would not only be unattainable but would result in a significant recession, which would in turn render unattainable the goals of job creation proposed by the minister of Labor. The IMF's reasoning' presumably has three basic objectives: 1) increasing the ability to pay the foreign debt; 2) increasing the level of domestic savings, in order to reduce the current accounts deficit; and 3) supporting the BCR [Central Reserve Bank] in its foreign exchange policy, in order to encourage improvement in the exchange rate through increased purchases. Unfortunately, it is not very likely that these objectives can be attained solely by taking measures that are of a fiscal character."

"Save in Order To Avoid a Recession"

Manuel Moreyra writes: "Peru is not yet able to pay its foreign debt in the form that was agreed upon. This applies both to the Paris Club' and to the Brady Agreement. In both cases, this is a prerequisite for renegotiating an agreement with the IMF. Peru needs to make adjustments': in other words, consume less and save more. Our problem is that we spent too much, taking on debt and then obtaining refinancing in 1992 and 1993 that was insufficient. What is most important is how' to make adjustments, because future growth depends on it. In my opinion, this is the area where the IMF and the BM [World Bank] should give advice but not impose it. From the legal standpoint, the Letter of Intent Regarding Policies is Peru's, not theirs. We must indeed increase savings by the public, but do so while taking care not to intensify the recession, because increased personal savings must derive from increased earnings that are reinvested in companies and from a solid financial system that acts efficiently as an intermediary." (GESTION, 10 April 1996)

"An Excessive Adjustment"

The economist Julio Velarde, head of the Department of Economics of the University of the Pacific, maintained that even if Peru has to reach an agreement with the IMF in order to be able to renegotiate with the Paris Club and fulfill the Brady Plan, the IMF should also reach an agreement with our country. For this reason, the negotiating team does not necessarily have to accept excessive conditions such as the 2.5 percent of the GDP that the IMF demands as a primary surplus. Velarde explained that a primary surplus of 2.5 percent of the GDP would compel an excessive adjustment—either by inducing an excessive fiscal adjustment or by increasing taxes—that could cause a recession in the economy. For this reason, he rejected the proposal to increase the IGV [General Sales Tax] or the price of gasoline, as the IMF is demanding of the government with a view to attaining the goal of a primary surplus that is far above the 1 percent of the GDP that the economic team has proposed to achieve this year." (GESTION, 11 April 1996)

"Incompetence and Inequity"

EXPRESSO writes, on 13 April 1996: "The government is now announcing an increase in the tax on fuel. In an economy of high prices caused by excessive taxation, the Executive Branch is proposing, in short, to make energy more expensive. This is the greatest absurdity ever seen. The minister of Economy and his principal adviser, Roberto Abusada, justify this measure, moreover, not on the basis of policy decisions but on the basis of accomplished facts, saying that the ground lost because of inflation must be regained. The increase in gasoline prices therefore appears to be an accomplished fact with which the government has surprised us and to which we must adjust because there is no alternative. But let those responsible for this beware: what they are doing is an outrage. The law of the funnel is being applied: the broad end for me, and the narrow end for the rest of you. They are doing this today, but the decision will not escape punishment, which will be both moral and political."

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